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HOW TO STEAL GOVERNMENT SECRETS
WHAT DO CABINET SECRETARIES DO ALL DAY?

10TH ANNIVERSARY ISSUE

The Washington Monthly

FEBRUARY 1979/$1.50

A Platform for the Eighties

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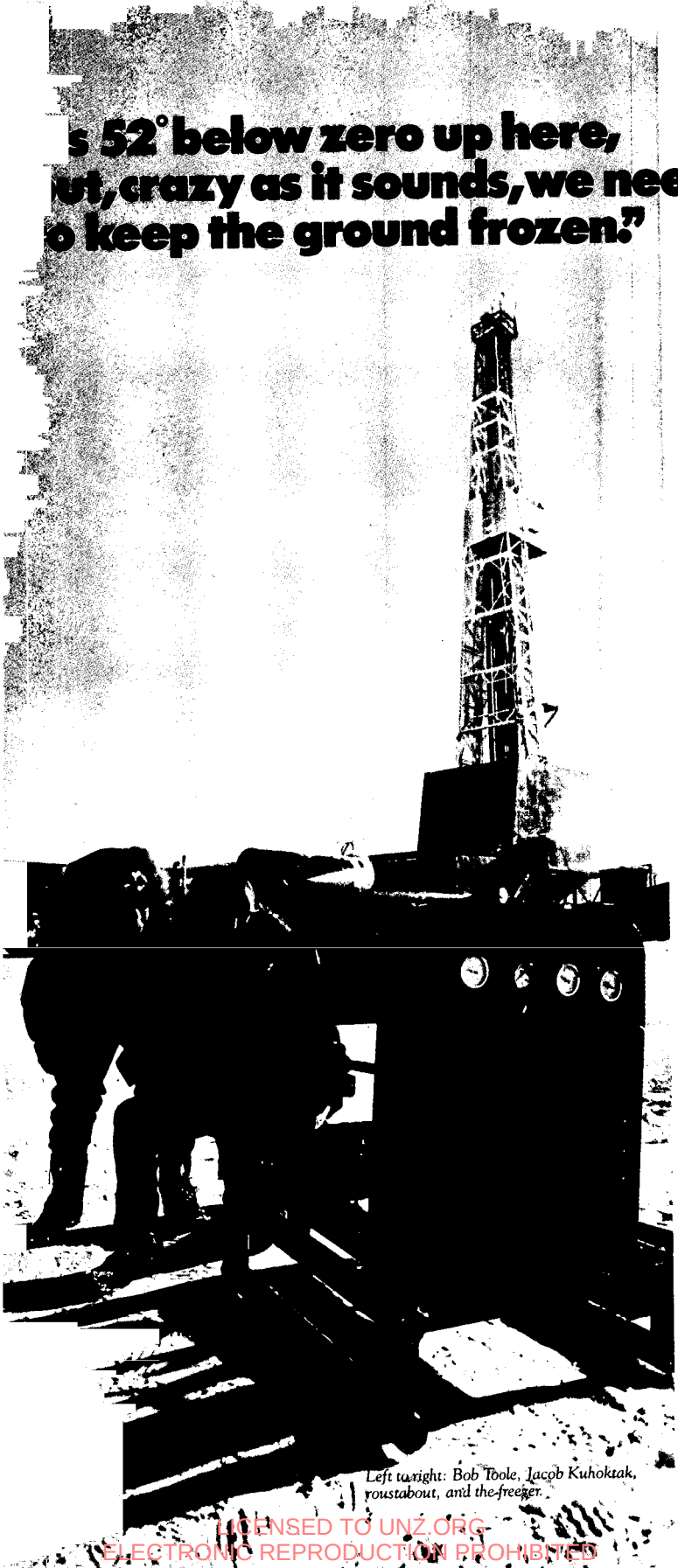
s 52° below zero up here, ut, crazy as it sounds, we need th o keep the ground frozen."



Left to right: Bob Toole, Jacob Kuhoktak, roustabout, and the freezer.

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Letters

Based on my own experience I concur with Michael Nelson's critique of psychology (December 1978 issue). Psychology is a good diagnostic tool but a poor therapeutic method. We can identify mental illness readily but we cannot cure it with alacrity. This is a frustrating dilemma faced not only by psychologists but by many others: we see what is wrong but do not know how to make it right. Mental health specialists have retreated to structured situations: experiments in a lab or superficial therapy with disturbed persons, offenders, drug users, etc. whose fees are paid by the referring agency. Others teach but never get involved with the problems of their students.

Psychology is an aural-oral skill in which the listener seeks to help the speaker. Often the two participants do not speak the same language—they function on two different levels with different values. The resulting impasse mitigates against a cure. The lack of meaningful communication and progress prompts the psychologist to label the patient as a "loser." Yet it is because they are losers that people seek and need help. Psychologist should turn away those patients who, after a few sessions, do not respond favorably. It would not add to their income but it would increase their true worth. For some, psychology does help; for others, another form of therapy may be called for. Psychologists and their patients must realize this.

PIERRE C. HABER
New York, New York

Dr. Haber is executive director of the Psychology Society.

Perhaps the Washington Y has reverted to the 1917-1918 stance of the organization (See "Serving the Rich: The Washington Y" by Arthur Levine, December).

During the First World War they *sold* in France the cigarettes, candies which had been given to them to distribute. The dough-boys thought the initials stood for You Must Come Across.

CHARLES COLVIN
Lebanon, New Jersey

I was astonished to read the story of AT&T in your January issue. In no respect did it approach the truth about the Bell System—or any part of its operations.

Pointing out the flaws would take as much space as the story itself, but a statement on page 41 is typical:

"AT&T's engineers are now perfecting a system in which practically no one dialing long distance, even during periods of heaviest use, will get a busy signal due to crowded lines. Quite impressive—and quite expensive. When phone lines are filled only at peak hours, the cost of idle capacity at other times is immense."

Such a system has been in existence since the earliest days of long distance calling. And so have evening, night and weekend rates—as well as other means to stimulate use of the lines during off-peak hours. That is simply good service—and good management.

Good management has also given the Bell System productivity gains that in recent times have averaged nearly three times that of industry generally.

And good management has been able to hold interstate rate increases down to only 10 percent since 1967—a period when the Consumer Price Index has more than doubled.

CHARLES E. DYNES
Washington, D.C.

Mr. Dynes is public relations director for AT&T in Washington.

Blythe Babyak in "The Plane: Cruising to Armageddon" in the December 1978 issue is incorrect in stating, "Of course, the 19th Amendment gives the order of presidential succession. . . . "

The 19th Amendment, of course, does no such thing. Rather, it states, "The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex."

I should think one of the author's gender should know this.

It is the 20th Amendment, in Section 3, as supplemented by the Presidential Succession Act of 1947, which provides for the line of succession to the duty of acting as President when there are vacancies in both the offices of President and Vice-President of the United States.

JAMES L. MCDOWELL
Terre Haute, Indiana

Professor McDowell is director of the Center for Governmental Services at Indiana State University.

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Remember, the "sticker price" is only the suggested price. The actual selling price may be different. That's because the law of supply and demand affects the prices of cars, just as it affects most other prices. And market conditions change all the time.

For example: a very popular model may sell at the suggested price, but frequently cars will sell for less, because the automobile business is highly competitive.

The difference between the "sticker price" and the wholesale price—that's what the dealer pays us—is called the markup, or dealer's discount. This changes from time to time, but as a general rule the markup on small cars is lower than on full-size cars.

The dealer's markup helps to pay his rent, taxes, salaries, utility bills—all that it costs to run a business. And he also has to make a profit, or he can't stay in business. Last year, GM dealers reported about two cents profit on each dollar of sales. As you can see, competition doesn't leave the average dealer a very big margin of profit.

You can affect the price you pay. It depends on the marketplace, for one thing. You may get a bigger break if you choose a slower-selling model or a car the dealer already has in stock. The latest sales figures published in many newspapers will give you some idea of how cars are selling, although the demand for a particular model may be greater or less in your area.

How much optional equipment you order on your car also makes a big difference in its price. Go over the list carefully, and equip the car just the way you want it. Then it will have most value for you, and you'll enjoy it more. You shouldn't buy what you won't use, although much of the equipment you add to your new car will make it worth more when you decide it's time to trade it in.

Most buyers trade in a used car when they buy a new one. And the value of used cars varies according to demand as well as to their condition. Performance and appearance count, so it's a good idea to maintain your car and keep it clean. The more you can get for your old car, the less will be your out-of-pocket cost to replace it with a new one.

But whichever car you choose, the price should never be your only consideration. The dealer's reputation and his service capability are also important.

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Tilting at Windmills

Insiders tell you that, while the CIA deserves part of the blame for our slowness in realizing what was going on in Iran, the main villain was Zbigniew Brzezinski, who for a long time simply refused to listen to information that cast doubt on the Shah's future. If this leaves you with a question in your mind as to Brzezinski's suitability for his role as chief foreign policy advisor to the White House, there is a tidbit in *Brink*, David Detzer's forthcoming book about the Cuban missile crisis, that you might also consider. It seems that during the heat of the crisis Brzezinski telegrammed this cool counsel to his friend, Arthur Schlesinger, Jr.: "Any further delay in bombing missile sites fails to exploit Soviet uncertainty." . . . When Evelle Younger, the recently defeated Republican gubernatorial candidate in California, was asked during the campaign about well-documented charges that he was too friendly to the Mafia, he replied, according to *Rolling Stone*'s Greil Marcus, "I never said I was tough on crime."

Last month, in explaining the press coverage of Jonestown, we discussed the rules of missionary journalism, of which the first principle is NEVER LEAVE THE CITY WHERE THE GOOD BARS AND HOTELS ARE. This principle, which is also followed religiously by the officers of the Foreign Service and the agents of the CIA, has relieved the monotony of our lives by contributing greatly to the frequent occurrence of the unexpected in the Third World. This is especially true in the case of grassroots movements, which our news and national security organizations seem to discover only when they are sweeping through the suburbs of the capital. There is, however, a problem for the revolutionary in all of this. How is he, out there in the boondocks, going to raise money, get his picture in the paper, and realize the other benefits of media coverage? Here we are able to announce an important new discovery. We call it the Khomeini Corollary; and we owe it all to the Shah, who pressured Iraq, where the exiled Ayatollah Khomeini had been a minor irritant, to throw the bearded leader out, whereupon Khomeini went to France. Now reporters, who would never dream of going to Meshed, Tabriz, or Zahidan, could cover the main issues of the Iranian revolution from Paris. The result was world-wide media exposure for the Ayatollah, with nightly television coverage of him emerging from one building, crossing the street, entering another building, and then reversing the process, while an announcer lets the world know his latest message. I expect planes to Paris, London, New York, and other media centers will now be packed with revolutionaries anxious to apply the Khomeini Corollary. . . . In the early 1970s I was on a local radio show, plugging a book I had edited, and one of the other guests was the financial self-help author, Harry Browne, who struck me as an absolute madman. He warned his listeners repeatedly of coming economic catastrophe and civil disturbance, and urged them to buy guns and to prepare for a retreat to well-protected sanctuaries in the hills. He also advised them to buy gold and

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Swiss francs. I, of course, ignored his counsel. Today, while I still don't need the guns and the mountain retreat, I realize I sure could have used the Swiss francs and gold. So I now attend more carefully to Mr. Browne's advice. What's he saying these days? Well, the last time he put down his rifle and came out of the mountains, he said to take a good look at common stocks and treasury bills. . . .

I wonder what the psychohistorians would make of the fact that the mothers of Douglas MacArthur, Franklin Roosevelt, and Adlai Stevenson all accompanied their sons to college, taking up residence in West Point, Boston, and Princeton, respectively, for the entire four years. . . . Here's another little piece of information that seems ripe for scholarly psychological insight: Did you know that when H.R. "Bob" Haldeman was running the White House, he had heat-sensitive urinals installed in the mens' room in the Executive Office Building? They sense your body heat and flush when you move away. . . .

Chairman Mao is still my favorite dictator. And I continue to worry that his message will be lost as the new regime takes over in China. The latest of his ideas to go onto Peking's endangered species list is his conviction that educated urban youths should spend time in the country so they can understand the peasants and their problems. In this, as in most matters, the Chairman went a bit too far, and thousands of young people who might have been more productively used elsewhere were doomed to lives tending pigs. But there remains a basic wisdom in the concept of trying to bridge the gap between the educated elite and the mass of mankind whose problems the educated elite is supposed to help solve. Officials in Kwantung Province, according to Fox Butterfield of *The New York Times*, may have found a happy compromise, under which urban youth spend about two years on the farms and then return to the city or to the university. . . . Washington is full of men who are ashamed to explain to their children exactly what they do during the day, but the champions are those who work for the tobacco lobby. These are the people who are paid to intone solemnly to the press that there is no connection between smoking and lung cancer, when they know they're lying. Speaking of contemptible people, what about Jimmy Stewart and the Firestone commercial? Here is a man who has become wealthy through his capacity to communicate sincerity in a version of the American character we would all like to believe is typical. He may in fact be more typical in his willingness to sell out, when he doesn't even need to, to a company that made hundreds of thousands of defective tires and then spent hundreds of thousands of dollars in legal fees to prevent the public from finding out. . . . We are not immune to self-congratulation, so, after last month's issue was printed, I called Joe Nocera to say how much I liked his article, "Making It at the *Post*." But, I asked, along with telling the *Post* how we thought it could do better, hadn't we planned to acknowledge that it's also a great paper? He replied, "I thought I did just that." And then we both remembered. Just before we went to press, we made a substantial cut from the expository material at the article's beginning on the grounds that it was dull and would keep people from getting to the heart of the story quickly. The cut included the part about what is good about the *Post*. The problem of journalism that the cut illustrates is that being fair is sometimes dull. . . .

The people who work for regulated public utilities are compelled to play a shell game. To potential investors they must say look at our profits, we're a good investment. But when the regulators come along, they have to hurriedly shove the cash into the closet and say, "What profit?". . . Of course,

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in terms of ability to absorb embarrassing surplus funds, the regulated utilities may still be lagging behind the non-profit organizations. The latest example is the American Enterprise Institute, which recently honored Gerald Ford at a Washington meeting. According to a sentence buried deep in *The Washington Star*, "The Fords arrived Monday evening from Palm Springs in a Falcon jet chartered by the Institute." Chartering jets is one of the things non-profit organizations do with money the rest of us would call profit. . . . The sad part is that when AEI was first established, it promised to be different. You might not have agreed with its political stance, but you had to admit the institution had a lot more creative drive and fresh energy than its dowdy liberal think-tank competitors, like the Brookings Institution. Now, AEI has made it, and its members can receive fat honoraria for sipping martinis at colloquia and staring out the Institute's windows at the plush, modern building across the street—which belongs, incidentally, to another great example of non-profit asceticism, the National Geographic Society. . . .Our other favorite non-profit is the Aspen Institute for Humanistic Studies. Somehow I got on their mailing list and received a brochure for their Executive Seminar Program. In this remarkable offering, you get 13 days of big thinking, reading Plato and Locke and Marx and Freud and Irving Kristol. Your moderators are people like Mortimer J. Adler and Brian Urquarht (God knows who he is, but doesn't he sound just right?). It costs only $3,500. We should admire the discipline of those executives in Aspen, spending night and day reading Thomas Hobbes, while ignoring the beautiful wilderness, sun, and spectacular skiing nearby. . . . But don't let me poison your mind about the Aspen Institute. After all, the Honorary trustees include John J. McCloy, Barbara Ward (who is further identified as Lady Jackson, Baroness of Lodesworth), and H.I.M. Farah Pahlavi, the Shahbanou of Iran. . . . Even though the non-profits are moving fast, the good old world of commerce still has some hustlers left in it. The latest to win our admiration are the people at Evian, the mineral water bottler. They're putting five ounces of their water in an atomizer and selling it for $5.50. . . . The truth of Tom Wolfe's concept of the "me" generation has achieved widespread recognition, but to gain intellectual respectability it has had to be re-christened "the culture of narcissism.". . . Remember Marshall Petain in the June of 1940? He offered "my person" to the French people. That is exactly what Jimmy Carter did in 1976. He offered himself—a manager who would never tell a lie. He had no knowledge of the federal government, no program to restore the nation. He thought his person was enough. He was wrong. . . . On reading Arthur Schlesinger, Jr.'s persuasive picture of RFK as a lifelong Catholic radical—a sort of male Dorothy Day—one fact nags at the back of my mind: as late as 1960 there were two photographs on display on the first floor of Hickory Hill, Kennedy's home in McLean, Virginia. One was of Herbert Hoover, the other of Pope Pius XII. . . . Our "Quote of the Year": "In the jungle, a press card is just another piece of paper."—Charles Krause, *The Washington Post*. . . .

Repeal the jaywalking laws! I wanted to make this part of our Platform for the Eighties, but my colleagues feel that it does not belong with such heavy subjects as income maintenance and national health insurance. In any event, I'm against crossing at intersections, where those cars coming around the corner from your left or right can get you before you have a chance to react. In the middle of the block, if you wait until all cars are at least a half a block away and then run like hell, you have a chance of surviving. There's only one safe form of intersection—where *all* the traffic stops while the pedestrians have the green light.

—*Charles Peters*

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A Platform for the

by Charles Peters

We want to restore community to our nation, vitality to our economy, and democracy to our government.

First, we want to end the politics of selfishness. This is a nation divided—not only into special interest groups, but more painfully by taste, class, money, and title. The lobbies run the government, but they are only a reflection of those deeper divisions.

The symbols of snobbery have dominated the seventies. Too many of us go to the ballet, the symphony, or the art gallery not out of any genuine love of dance, music, or painting, but because it makes us feel refined, cultured—superior to our fellow man. Too many of us would buy a Mercedes instead of a Granada, even though we can't tell the difference. It's a way of making the world think we know the difference, or simply letting them know we can afford the difference. The image of the times is the young Carter Administration lawyer, jogging onto the White House tennis court with his Head racket, his Adidas shoes, an alligator on his headband and a $1.20 bottle of soda water under his arm. He's probably just gotten out of the foreign car that, according to the television commercial, proves he knows the difference between a picture and a painting, in which the radio was tuned to one of those William Pierce clones on National Public Radio, whose tones assure his listeners that they are the most tasteful of them all.

Some of us value celebrity, and think we're better than others simply because we're better known—which usually just means we are more concerned about getting publicity, or that we have a better press agent.

But mainly we seek to distinguish ourselves by the prestige of our positions, and the money we make. In doing so, we contribute to the divisions that hurt us the most—the divisions between our classes.

Our ruling class, the people who call the tune in the government and our other major institutions, is a mixture of old rich and new meritocrats. You can come from a tenement in Brooklyn, or a small farm in Alabama, but if you are editor of the Harvard Law Review the club will open its doors as wide for you—well, almost as wide—as for a Cabot or an Astor.

This elite—many of them good people, your friends and ours—has not been good for the country. Its decisions affect all of our lives, but it is insulated from the hardships associated with our national problems.

The most tragic example of this isolation was the Vietnam War. We were involved in that conflict for over ten years, longer than any war in our history. How could our ruling class stand to see men dying for so long? The reason is simple: none of its children were being killed. While the sons of the elite stayed in college, the poor and the uncredentialed were sent to do the fighting and the dying.

Today's rulers talk with conviction about poverty, about the cost of medical care, about fighting inflation. They are sincere, or at least most are; but it is the sincerity of Nicholas and Alexandra sitting before the fire in the Winter Palace and wondering what can be done for the poor. It has a make-believe quality. Poverty has no immediate reality to them. They can care in the meeting room, say all the

Charles Peters is editor-in-chief of The Washington Monthly. *He was assisted in the preparation of this article by Robert M. Kaus and Joseph Nocera.*

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Nineteen-Eighties

right things, work hard all day—but the problems they are supposed to be solving don't follow them home. When *The Washington Star* recently questioned residents of our nation's capital about the impact of inflation, a typical response was, "We don't go to Jamaica on the spur of the moment like we used to."

Our New Romanoffs rule by bribe. They try to give each organized group whatever is needed to keep it happy. So, salary increases are given without regard to increases in performance or productivity. For example, the Consolidated Rail Corporation, which lost $387 million last year, gave salary increases to 56 of its top officers and paid them nearly $5 million in bonuses and perquisites. And, when it comes time to negotiate labor contracts, it is easier to grant labor demands than to face a strike. Never mind that the cost is passed on to the consumers, that the ones who get squeezed are the marginally employable, the unorganized. For the leaders of each group, those people are merely statistics. Nobody wants to be the first to bite the bullet, the sucker who is talked into sacrificing with no assurance that anyone else will follow suit.

This magazine was founded in 1969 out of a belief that something was going wrong with the American system, that our government wasn't working anymore. Nothing that has happened in the last ten years has caused us to change our mind. Instead, we have come to the conclusion that the great national problems in the economy, education, health, law—and the process of governing itself—will not yield to incremental solutions. They require radical change. By this, we don't mean demonstrations in the streets or violent mob actions. We mean that our society is a system of related habits, needs, and expectations—and that without dramatically altering those expectations it will be impossible to jog us out of our complacent niches, to force us to ask ourselves what we really want, to allow us to recognize what we have in common, and to inspire the sort of individual and collective effort that might achieve those mutual goals.

As a result, this platform isn't organized like other platforms. We don't have a plank for employment policy, and another plank for education policy. Jobs and school are all part of the problem, but it is bigger than both of them. As long as we see the task of government in piecemeal terms, we will have an employment policy that pleases big management and big labor, and an education policy that benefits teachers and school administrators.

Instead, we have tried to sort out what we think is wrong with the direction our country is headed, the way we see ourselves, and the way we act toward each other. Once we've done that, it is easier to see the concrete steps we can take to begin changing those attitudes, and to solve the problems they have created.

Bring Us Together Again

Adversary System

We live, it is often said, in a litigious society, which has produced a virtual explosion in the number of lawyers and law firms—indeed, between 1964 and 1974 enrollment in ABA approved law schools jumped from 56,265 to 110,713. The prosperity of lawyers,

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however, has not had an especially beneficial effect on the rest of us. "If paranoia is our national disease," we wrote a few years ago, "then lawyers are its Typhoid Marys." There are few aspects of American society that have done more to pull us apart than the adversary system and the attitudes that have grown out of it.

In everything from divorces to huge corporate deals, from fights over a plot of land to disputes over public policy, lawyers and the courts have come to play an increasingly prominent role. Instead of encouraging both sides in a dispute to think of the common interest, the legal system encourages them to fight it out, assuring each side that it is perfectly acceptable to take a selfish or morally indefensible position.

Instead of hiding behind their lawyers, people might be encouraged to mediate their differences face-to-face. In personal disputes like divorce, a system of mediation would encourage understanding of each other's position and mutual respect, instead of fostering the bitterness and hatred that grows out of a lengthy court battle for the house, the car and the kids. Divorced parents need to have that respect for each other if they are going to raise sane children.

In matters of public policy, the common interest that is sacrificed while the parties slug it out in court is often the national interest. When your company has produced a carcenogenic drug or a defective tire, you don't recall your product, you call your lawyer.

Let's suppose, for example, that the national (or state or local) interest requires that a decision be made on whether or not to build a factory in a beautiful meadow. One way to resolve the problem would be to have elected officials decide what to do. Environmentalists and pro-growth forces would have their say, and so would the vast majority of citizens who felt strongly both ways. In our adversary system, we require the developers and the environmentalists to draw up contradictory "impact statements," and then these two fight it out in court, with an unelected judge deciding on the basis of a procedural irregularity.

The first step in making America a less fractious and divided society, then, would be to establish a system that encouraged mediation over lawsuits, valued trust over legal procedure, and placed the common interest and the compromise over the "look out for number one" mentality.

Draft Everyone

A second important step toward ending the division in America is to bring the classes together again. The last time this happened on a nationwide scale was in World War II, and while the war experience has been overly glorified and sentimentalized, it did have that important benefit. The young man from Brooklyn and the farm boy from Alabama really could be in the same PT boat with a Kennedy, and they didn't have to go to Harvard Law School to get there.

To narrow the gap between the classes and begin the process of bringing community back to our national life, we need a program of universal service to the country. Every American youth, after high school, or sometime within a few years after that, should spend at least two years in the military or three years in some volunteer organization like the Peace Corps or VISTA. Service in an organization modeled on the old Civilian Conservation Corps could be another option.

The benefits of this plan are obvious: we would no longer have to bribe people to join the military. Nor would the government have to pay huge sums of money tending to the needs of the elderly or the sick or the poor. Universal service would insure that people from both sides of the track would meet and talk and work together. In the process they might lose their unreal views of each other—views that are usually either too hostile or too sentimental.

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A universal service would have another extremely important benefit: it would begin to get Americans back into the *habit* of service, of giving to the country. From the barn-raising to the wagon train, doing things for others was a symbol of pioneer America. Certainly Americans weren't all Albert Schweitzers then, but just as certainly we aren't all Ebenezer Scrooges now. Yet we have quite obviously fallen out of the habit of altruism.

There are a lot of reasons for this, but three stand out as particularly crucial. The first is the move of many Americans from small towns to big cities. In the small town there was a peer pressure for everyone to do their share voluntarily to help the community—and there was a great pride and sense of responsibility in doing so. Everyone knew everyone else, and when someone was not pulling his weight, the whole town was aware of it. In the big city, anonymity has replaced community and what has been lost is not only the peer pressure, but the pride and sense of responsibility.

The second reason is the women's movement. One of its worst effects has been to discourage women to give of their time and their talents for free. In striving for equality, many women have come to see their own worth as too many men see theirs: by the size of their paychecks. And instead of seeing voluntarism as beneficial, they see it as exploitative.

A third reason is the trickle-down theory of altruism.The highly-trained lawyer who works as a legislative aide to Senator Edmund Muskie, for example, channels all his altruistic impulses into his job. He thinks his contribution to the world this year was writing a chunk of the Clean Air Act, which will mean Americans will lead pleasanter, more healthy lives. In so doing, he believes he has done his share of good. But he is also saying, in effect, "I can do this bit of good because I'm so well trained, but somebody who is not as smart as me has to do his part by cleaning bedpans." The "better" people can do their good in pleasant surroundings without any personal contact with the people they are helping.

Universal service can help us overcome all these attitudes. It can restore the pride and sense of responsibility of small town voluntarism. Having men and women in a universal service would eliminate the feeling that anyone's being exploited. And it can impress upon us the important distinction between personal and legislated altruism. We can't legislate away loneliness; we can't legislate away caring; we can't legislate away people's need for one-to-one companionship.

Caring for the aged is the starkest example of the practical need for altruistic service. There is, first of all, the question of cost. America is aging rapidly; by the year 2000 between one-third and one-fourth of its citizens will be over the age of 65. We will face a monumentally expensive task unless we find a less costly alternative than having the government pay institutions to see to the needs of the aged. Nationwide volunteer help is the most sensible solution.

But more important is the question of attitude. The prospect of an institutionalized old age is not something anyone looks forward to, yet today most people must turn to institutions when they can no longer provide for themselves.

The only alternative, as we head towards the year 2000, is to create a climate where those who are younger and healthier volunteer their help. If we saw it as part of our duty to spend time with the old, to do everything from reading to them to cleaning their beds, there would be no need for the widespread institutionalization of the elderly.

Because the idea of volunteering is so foreign to young Americans today, we believe a universal service would have to be compulsory at first. Its chances of succeeding would otherwise be slim; for too many kids, the fear of being left behind by their peers in the

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race for credentials would prevent them from joining. But as our attitudes toward altruistic service changed, we believe that kind of paranoia would subside. If it were seen as a way of fulfilling a responsibility to the community, rather than as a mandatory stint of short-term drudgery, and if those beyond the age of service nevertheless set an example by volunteering their own time, it might not have to be compulsory for long. By instilling the spirit of altruism at a young age, universal service could also sustain in us a lifelong commitment to helping each other.

Free Ourselves To Work

Put Doing Over Being

We also need a radical change in attitude in how we look at our work. Altruism is one kind of personal enrichment; our jobs should be another. Instead, we have come to value our jobs more for what is connected with them—salaries that pay us more than our neighbors, titles that make us appear more important, pensions and job protections that shield us from the problems the rest face. All the things that divide us.

Why? Why do we have to feel superior to others? Shouldn't there be dignity enough, and joy, in simply functioning well, in being a good doctor, teacher, or carpenter? The result of our emphasis on *being* over *doing* is a system that separates title from function, with the titles going to an ever-growing number of administrators, and the actual jobs to a declining proportion of do-ers.

Nowhere is this process more evident than in the government hierarchy. The smug look on the civil servant's face when he refers to "my deputy" is one of the more depressing incidents of life in Washington. A good example of the effect of this attitude is what has happened to the foreign service. We used to have an ambassador to Chile, for instance, who reported directly to the Secretary of State. But soon a Chile desk officer was interposed in the hierarchy, followed by an assistant secretary for Latin America (with deputy), and then a regional director for the West Coast of Latin America, with his deputy. So now there are at least six layers of titled officials between the secretary and the ambassador who reports to him. And of course, each embassy has been stratified so that the ambassador presides over an elaborate chain of command, at the bottom of which is the junior foreign service officer who actually writes the first draft of the report.

All that's really needed is someone in Chile to write the report, and the Secretary to read it. But the thirst for titles has generated a stepladder of well-paid officials. If they did nothing at all, that would be bad enough. But, of course, they have to add something to every report to justify their titles, and in the process reports become so boring and devoid of meaning that the Secretary stops reading them—which demoralizes the junior foreign service officers, who take to spending more of their time at lunch, so the original drafts of the report are no longer any good either. Finally, the job of ambassador becomes so empty that anybody who accepts the job is almost certainly more interested in *being* an ambassador than in *doing* significant work.

What keeps this whole system going is a stubborn resistance to either organizational or individual evaluation. Elsewhere in this issue, Joseph Nocera tells us how the latest scheme for evaluating the agencies—the inspector general program—is being turned into a crusade against white collar crime, when it could be asking questions about why it takes six tiers of officials to handle a single report from overseas.

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At the individual level, a resistance to evaluation is built into the civil service system. Even after passage of the recent civil service reform act it is extremely difficult and time-consuming to fire lazy, indifferent, or incompetent employees. The statutes don't encourage the kind of bureaucrat-by-bureaucrat examination that would point up, not only who's not doing his job, but who has no job to do.

Bring Back the Spoils System

The way to break down the resistance to evaluation is with politics; if the inspectors general won't review the performance of the bureaucracy, let the voters do it. Does this mean a return to the spoils system? Not in the sense that it would result in unqualified employees. A politically appointed typist could still be required to type 50 words-per-minute. And we *need* government workers who are political in the sense that they are appointed and fired at will, and who will therefore be eager to make the government work well enough for the voters to reelect the politicians who appointed them. Remember (and we won't let you forget) that when the Post Office was political, the mail was delivered on time. If it wasn't, you could fire the postmaster.

Of course, there are advantages to having *some* employees with career job protection. One of these is continuity. The other advantage of civil service protection is supposed to be incorruptability—although the GSA scandals have certainly cast doubt on that. Still, these benefits are enough to justify retaining civil service protection for half the available federal job slots. The other half should be filled with political appointees. Right now, the balance is more like 99 per cent protected to one per cent political, with the one per cent concentrated at the upper levels.

Unfortunately, the current popular discontent with government inefficiency is easily swept into the Washington world of make-believe. Suppose your postmaster spends his time reading his mail, rather than seeing that yours is delivered. The poor mail service is hurting your business, perhaps. You're mad as hell, and you write your congressman to say you're not going to take it anymore. He promptly and efficiently forwards your complaint to the new, independent Postal Service. The Service responds that it can't do anything about your postmaster, because, since it has become new and independent, he is protected by a statute modeled after the civil service laws. Your congressman then promptly forwards you a copy of the Postal Service's letter, and puts you on his mailing list—after which you receive (allowing 10 days for delivery) regular copies of the *Congressional Record* containing his denunciations of postal inefficiency. "Well, I guess nothing can be done," you sigh, "but my congressman certainly seems to have done his best," and you resolve to vote for him next time around.

What's more, the federal civil service is only the tip of the bureaucratic iceberg. Total federal civilian employment has held steady at around 2.8 million for a decade. The explosive growth has taken place in state and local governments (which employed 12.5 million people in 1977) and in private companies that do government work. For example, HEW has 144,000 federal employees, but it pays the salaries of another 980,000 through other organizations. The Pentagon employs about a million civilians directly, but another 2.5 million "outside the walls" get their paychecks from the DOD. If we had reliable evaluations of our state governments and consulting firms, how many of these jobs could we abolish? Our guess is about half.

So, things are bad in government—as conservatives are fond of pointing out. What they are less likely to emphasize is that things aren't a lot better in much of the business world. The planning analyst in the Department of Transportation has his counterpart at General Motors. The

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bureaucrat at the FCC can see his mirror image over at AT&T.

But the private sector does offer one ray of hope that the civil service doesn't: we're stuck with the government we've got, but private organizations can be displaced by new ones. In reforming our economy, our goal should be to encourage those new organizations, and the traditional means by which they are developed, entrepreneurship.

New Blood for The Economy

So if we are going to get the economy moving again, we will need people who are willing to break away from old habits, to speak up when they see something wrong, to do what they love and do well, instead of riding out a career escalator at HUD or GM. And while we cajole, exhort, lure, and push our citizens into taking these risks, we want to do away with whatever legitimate reasons have prevented them from taking them already.

In talking with our friends in the public and private bureaucracies, several forms of insecurity always crop up as reasons for clinging to the risk-free life. Some—like the fear of a costly illness—can be reduced by programs discussed later in this article. But let's deal with two of them now.

The first source of insecurity hits adults early in their working lives—the soaring cost of buying a house. It didn't used to be that way. Even a decade ago, the ordinary goal of owning your own home wouldn't have had a special impact on the career choices of most Americans. Today, with down payments for a modest house in the $30,000 range, it takes a hefty, secure income to accumulate enough to even begin mortgage payments. The effect is to encourage anybody who wants a house to make an early decision to pursue a stable, renumerative career—in short, to sell out early rather than late.

The solution is to use our tax system. The system currently works to inflate the price of housing by providing a tax deduction for the interest on all home loan mortgages. Since what is needed to bring down the price of housing is *new* houses, we should allow the mortgage interest deduction only on the purchase of new, additional units.

A second source of insecurity hits later in life, and isn't such a new phenomenon. It is the high cost of college. How many times have you heard someone justify passing up a new work opportunity because they "have two kids to put through school?" Society could take away this excuse by providing a variant on the old GI bill to cover the cost of all post-secondary education. Under this system, students would pay for college instead of their parents—freeing the latter from the self-martyring duty of coming up with $30,000 to send their girl to Dartmouth. Instead of giving the student the money, as the GI bill did, the government could guarantee a loan from a private bank. Payment could be authorized as a surcharge on the student's later income taxes. One side benefit of the plan: since the students would be footing the bills, there is at least a chance they would be forced to think seriously about when, and why, they want to go to college. The option of universal service would provide an alternative, and some time to think things over. The combination might convince more teenagers that "success" does not require a forced march through seven years of college and professional school, followed by ejection into the "real world."

No amount of government scheming will make entrepreneurship—or whistle-blowing, for that matter—as risk-free as a quiet office in the Treasury Department. Life can never be as safe a bet as some of the clauses in our employment contracts seem to imply. If we can move some to action by eliminating unnecessary sources of economic insecurity, we can bring a lot more entrepreneurs out of the closet with positive incentives.

Some basic financial incentives could again be provided in the tax

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code. As with the mortgage interest deduction, the key is to tailor the incentives to encourage the sort of investments that are needed. The current budget lists over $120 billion worth of what the government calls "tax expenditures"—what others call loopholes. That figure is about half of the total amount collected by all federal individual and corporate income taxes put together. But many of these loopholes, like the capital gains tax break, are available indiscriminately to those who invest in old enterprises, as well as those who invest in new plants, or new organizations. Since the latter are what create new jobs, and new productivity increases, we could restrict the capital gains tax break to those new investments.

The usual argument against this proposal claims that if the tax break is restricted to the original purchasers of shares in a new company, they won't be able to find anybody to buy their stock, because they won't be able to pass along a tax break. Horsefeathers! Of course investors will buy the stock—if it's going up. And there would be a greater chance of stocks going up in a vital economy that encouraged new investment. If you bought stock in the 1960s, you know what 15 years of indiscriminate tax reductions for the Wall Street traders in old issues has done to boost the value of your holdings.

But financial incentives respond to only one of the motivations for seeking creative, satisfying work. We should recognize all of them. Most fundamental is the exhilaration that comes from knowing that you have overcome the addiction to economic stability, that you are doing your job, not because it pays for your BMW, but because you love to use your talents—and that you're ready to quit if that stops being the case. Unfulfilled human potential is both a personal and social tragedy, and the number of potentially great scientists, artists, and businessmen who are now practicing law in Washington must represent one of the greatest wastes of human capacity in the history of mankind.

The personal satisfactions aren't only for the elite. An emphasis on doing, on performance, could open up a wide variety of professions where specific, technical skills can only be acquired by experience, but that are now monopolized by the credentialed. We have all been tortured by inept doctors trying to give injections, while the nurses who give the same shots more skillfully and painlessly must stand meekly by in deference to the power of a white-coat.

Then there is the case of Gabrielle Ann Scott Elliott. With only a tenth-grade education, she used false credentials to get into the University of South Carolina Law School, from which she graduated with above-average grades. She passed the South Carolina Bar exam, and began practicing law. When she was caught, *The Washington Post* ran an outraged expose—to think that someone without true credentials would presume to serve the public's legal needs! Instead, shouldn't we be outraged at the system of rigid and phony hierarchy that deprives people of the right to use their skills?

The final incentive to a revitalized system of work would be to dispense status on the basis of accomplishment and service, rather than title or educational level. Though they are distressingly few, there are some models to which we can turn for inspiration.

Contributing editor Nicholas Lemann discovered one of these models in the Off-Off Broadway theater circuit of New York City. There, a successful, innovative drama industry is run by people who drive cabs and wait on tables to make ends meet. They do it because of the immense satisfaction they get from acting, and because they live in an environment that gives as much respect to the underpaid actor as to the well-paid lawyer.

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Education is another area where we have a practical ideal. Today, the education industry is run for the convenience of its administrators and faculty, just as the government is run for the convenience of bureaucrats. Gifted teachers aspire to be administrators, to win large research grants, to go to conferences. But it has been different—and one period when it was different was at Columbia College in the 1940s, around the time when Jacques Barzun wrote his book *Teacher in America.* The title of the book was important, because it indicated the value that Barzun placed on doing the front-line work of education: teaching. And being just plain "teacher" was the status job at Columbia for a while. People like Lionel Trilling, Mark Van Doren, and Joseph Wood Krutch taught classes of 15 to 30 undergraduates, and looked down their noses at the self-important Ph.D.'s who thought that research and contracting was the name of the game.

Give Up Our Special Little Angles

At the heart of the politics of selfishness is the fear, already noted, of being labeled a sucker. Nobody wants to be the fall guy who gives up his piece of the action while somebody else is cutting himself a better deal.

Sometimes this attitude can be maddening. For example, after the passage of the civil service bill his union had opposed, the president of the American Federation of Government Employees threatened: "In the trenches every day, federal employees will work a little slower, wheels won't turn quite as fast, applications won't get processed, goods won't get moved nearly as rapidly as they could . . . ."

Sometimes it can be dangerous, as when air traffic controllers recently went on a work stoppage that caused stacking of planes over crowded airports. The reason for the stoppage, according to union president John Leydon: the controllers were fed up with the refusal of Pan Am, TWA, and Northwest-Orient to continue to give them free flights overseas.

Almost always it is bad for the nation. It's time we all gave up our special little angles. There have been periods in our history—again World War II is a good example—when we have been willing to sacrifice for the national interest. America is not at war today, but it is in trouble, and climbing out of trouble means being willing again to make that kind of sacrifice. Here are some obvious places to start:

Draft the Doctors Too

No one in America has a better angle than the doctors. Think for a moment of our other life-protecting services—the military, the fire department and the police. We do not let them charge whatever they want, or let them tell us what their specialty will be. They are too important for that—our lives are in their hands. Yet that's what we allow the doctors to get away with.

As a result our health care system is one of the prime causes of inflation. In 1946, out of every $22 you earned, you paid $1 for medical care. Today, you pay $1 out of every $12. Unless we seize control of the health care profession from the doctors, they are going to bankrupt us all. The solution to the health care mess is a national health service that will set both doctor's fees and their specialties. Health care shouldn't be a luxury—and under such a system it could be practically free for everyone. And with doctors out of the saddle, the system of medicine would be immensely less expensive than the one we've got now.

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A national health service could also be another example of how we can change our attitudes towards work. Think about who becomes a doctor in our society. They are the kind of people who have been fascinated with the phenomenon of healing since they were five years old. Our medical system takes these people, and after a few years of exploitation as interns and residents, turns them into their own versions of Robin Hood, stealing from the rich—by robbing the insurance companies blind—to compensate for the hardship they have been through, to give them the $100,000 incomes they feel they deserve.

A national health service could return doctors to that five-year-old state. Doctors would come to expect pleasure from functioning, from *healing,* rather than from memberships in the country club. A free national health service would also remove one more source of economic insecurity—fear of medical calamity—that keeps the rest of us from breaking out of large organizations with generous health insurance programs.

No Welfare For The Rich

Too many people use social security to finance a trip to Florida or buy a second car, or collect unemployment insurance even though they have enough in the bank to spend a month on the Riviera. The Treasury Department recently estimated that $51 million worth of tax deductions for unemployment compensation went to people who had incomes of $50,000 or more. Here is a second special angle that should end.

To remedy this, and to provide adequate assistance to the poor, all our existing welfare programs could be scrapped and replaced with one program that pays out money to Americans on the basis of one criteria: whether or not they need it. This plan would provide enough for the recently retired elderly couple, and the mother of five struggling to bring up her family without a father. The millionaire could never get unemployment benefits or social security as he can now. In the end, we believe, this program would *save* the government money, both because it would take a fraction of the current welfare bureaucracy to administer, and because it would not cost anywhere near the $165 billion the government is going to pay next year in welfare programs and social security.

One of the chief objections to a guaranteed annual income is the charge that it will keep people from working. We do not believe the system should finance a lifetime of loafing—there should be limits placed on the amount of time a person can receive payments during the years he is capable of working. However, we also see our plan as giving the average man the main advantages of the sabbatical—a chance at reasonable intervals in his life to catch his breath, to consider where he is going, to change direction.

This plan could be phased in with decent regard for the expectations that have been aroused in older people who have been falsely told by the government that social security is an insurance program, and who have made their retirement plans in the expectation that they will receive this money regardless of their other income.

Work During The Golden Years

Too many people, especially in the government, retire before they need to. Early retirement fuels inflation and costs the government billions ($20 billion for federal disability and retirement this year). Military officers can retire as early as their late thirties with 20 years of service, civilian officials can retire at age 55 after 30 years; so we are paying a good deal of tax money for people who are doing a good deal less work than they could. Most officers who retire around the age of 40 as lieutenant colonels live into their seventies and eighties. That means early retirement for an average

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lieutenant colonel will cost the taxpayers at least half-a-million dollars, even before the twice-a-year automatic cost of living adjustment.

Early military retirement has been based on an outmoded version of military life where soldiers were exhausted after 20 years of charging over hill and dale on foot or horseback. But the General Accounting Office found that 93 per cent of the enlisted personnel who are retiring after 20 years are working in administrative or clerical jobs.

The system should be changed because it's costing us a fortune—the Congressional Budget Office estimates that the price of federal pensions could rise to $194 *billion* by 2015. But we should also keep in mind that early retirement is no favor to anyone, including the early retiree. Retirement doesn't free us, it robs us—of our vitality, of our sense of worth, of our reasons for getting out of bed in the morning. As long as people are functioning well, we should encourage them to continue doing so. Instead, retirement separates the old from the day-to-day activities that keep society going—just as our educational system segregates the young.

Freeze Federal Pay

Civil servants are overpaid and overgraded. This is particularly true at the middle and upper-middle levels, from GS-13 to 15, where salaries range from $30,000 to $47,500 and where responsibilities, despite important sounding job descriptions, seldom equal those of a Safeway manager. By admission of the Civil Service Commission, hardly one of the system's severest critics, 11.5 per cent of the federal employees are overgraded, at a cost to the taxpayers of $436 million a year.

Government salaries should make us reconsider the old axiom that you get what you pay for. We are not getting higher quality service as government employees make more money. The District of Columbia municipal government is, by the testimony of practically everyone who knows anything about it, among the most inept in the nation. Yet its employees are among the highest paid, often making $2,000 to $4,000 more than their counterparts in the big California and New York state governments, and sometimes triple the amount paid state workers in rural and southern states.

To bring federal salaries under some semblance of control, the President should declare a two-year moratorium on federal salary increases. A few top jobs and a few at the bottom should be excluded—but on the whole this would be sensible management.

Make the Capitalists Compete

Too many businesses have angles in the form of unnecessary government protection. These are the kinds of special privileges that, if stopped, would bring about lower prices and better service, even if accompanied by screams of anguish from the aggrieved industry.

The bank industry provides a classic example. There was a time when bank regulation made sense—banks had been failing around the time of the Depression, and it was clear that the government had to step in to prevent depositors from losing their assets in case of a bank failure. Today, with federal deposit insurance, that is no longer the case. Yet stringent state and federal regulation keeps interest rates unnecessarily high and ensures only one thing: that banks will make excessive profits without fear of competition. The regulations have come to protect the banks instead of the customers.

Keep Unions From Competing

If businesses are going to give up their special angles, it's only fair that unions should do the same. Because of the sucker factor, we do not expect the

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leadership of the nation's big unions to sacrifice their unions' pay raises for the sake of the nation's economy. Yet, it is clear that the continued demands for wage increases by unions have as much to do with inflation as any other single factor. That is why at times like this, when inflation is getting out of hand, the only sensible and fair response is to impose strict wage and price controls. That would assure union members that inflation wouldn't eat into their wages, and prevent businesses from making excess profits.

Discard Our Ideological Labels

The idea that there are two great camps of ideology in American politics, one called "conservative" and the other "liberal" seems to be breaking down with the rise of politicians like Jimmy Carter and Gary Hart. It is a process we hope will accelerate. Two areas where freedom from cliche is vital, but where, sadly, cliche persists, are crime and national security.

Criminals Belong in Jail

Regarding crime, the great mass of Americans have long ago expressed their dissatisfaction with the "liberal" and "conservative" positions. It is time for those who govern to catch up. Let them start by conceding the "conservative" point that the first priority in fighting crime is not to rehabilitate criminals but to protect society. When the dangerous criminal is locked away, then we can worry about rooting out crime's causes. But let them also concede to liberals that there is a qualitative difference between violent crime and non-violent crime—the man who responds to the pressures of society by lifting my wallet is a different sort of threat than the man who responds with a knife in my ribs.

Then let them look at the facts: 80 per cent of the violent crime in this country is caused by criminals between the ages of 15 and 25. This seems to be the age in which uncontrollable juices are most likely to flow—the evidence is impressive that after age 40 the impulses to violence decline dramatically.

Faced with these facts let them decide that any person between 15 and 25 who commits a violent crime should receive a minimum sentence of ten years. The purpose would be simply the protection of society—not revenge, or rehabilitation—although rehabilitative efforts should not be stopped. At the same time, let us show the non-violent first offender maximum mercy, and allow every chance at probation. Both the statistics and common humanity say give him another chance.

As for the perpetrators of victimless crimes—those who take dope or sell their bodies—let's leave them alone. The tragedy is their own, not ours; what they need is help not jail sentences. We need our limited law enforcement resources elsewhere.

Look For Our Spitfires

With military spending as well, we would be better off if we all forgot whether we were liberals or conservatives. Today the conservatives are blindly pro-military, and the liberals, just as blindly, are anti. In 1941 the reverse was true. Liberals must realize the need for an effective military force, and the need to prevent the cry of "No More Vietnams" from precluding the sensible use of that force. Conservatives must stop equating military spending with military preparedness. We should all concentrate on finding the weapons that are to us what the Spitfire was to Britain in World War II—not the costliest or fanciest

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Cabinet Secretaries: What Do They Do All Day?

by Amy Merrill

The federal government is the only place in the world where a simple, white three-by-five card is an important badge of status. It is *de rigeur* for high-ranking government officials to have their secretaries type their appointments for the day on one of these cards. These cards are carried in the breast pocket of one's suit, and when a meeting runs long it is a standard ploy to pull them out, stare at them intently, and say apologetically, "I'm afraid they have me going to the White House at three o'clock."

As pedestrian as they may seem, these cards are at the heart of what is wrong with the federal government. Designed to help top officials control their time, they have created a situation where Cabinet members, White House aides, and the 180-odd officials who comprise the sub-Cabinet are captives of their own pre-arranged schedules.

It is axiomatic that political appointees come and go, but the bureaucracy endureth forever. The effective careers of many government officials are even shorter than those of punk rock stars and quarterbacks with weak knees. Yet amid the vast journalistic coverage of the government, there is little concern over how anyone, except the President, spends his days. Eight-year-olds invariably ask their fathers, "Daddy, what did you do at the office all day?" Unfortunately, newspaper assignment editors don't have the same curiosity.

To convey the flow of a day in the life of a Cabinet member, let's begin with a hypothetical, but realistic schedule for a secretary of a major domestic department. On a typical day, his three-by-five cards might look something like this:

8:00—Breakfast meeting to review for House Appropriations subcommittee testimony

9:00—Officials of important special interest association

9:30—Car to Rayburn House Office Building for appropriations testimony

11:00—Interview with reporter for *The New York Times*

11:45—Photo session with Cystic Fibrosis Poster Child

12:00—Car to Washington Hilton for luncheon speech at a convention

1:15—Car to White House to meet with presidential aides to lay groundwork for tomorrow's meeting with President

2:30—Top speechwriter to discuss upcoming speeches

2:45—Interview with candidate for Inspector General

3:15—Briefing by assistant secretary and staff on Department's computer capacity

4:15—Under secretary (personal matter)

4:30—Solicitor and deputy assistant

Amy Merrill is the pseudonym for a government official.

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secretary to review upcoming regulations

5:30—Courtesy visit of German industrial attache

5:45—Briefing by press secretary on tomorrow morning's news conference

6:15—Car to Italian embassy for cocktail party

Can't Drop By and Chat

This is the schedule of a serious, busy, dedicated man. His only free time during the day was spent in the back of his chauffeur-driven Mercury Monarch reading memos between appointments. Whenever a scheduled meeting ran short, his personal staff scurried into his office for a few quick conferences. Actually, it was during some of these impromptu 90-second discussions that many of the concrete decisions of the day were made.

One of the fictions of Washington is that Cabinet secretaries spend most of their time running their departments. In fact, most Cabinet members must devote the predominance of their time to catering to four major external constituencies: the White House, the Congress, the press, and special interest groups.

In our model day, Congress ate up about 25 per cent of the time, special interest groups grabbed another 20 per cent, the White House got 15 per cent and the press was allocated another ten per cent. This left less than one third of a ten-hour day for dealing with the complicated process of running a vast government bureaucracy.

Many of these external commitments are unavoidable. Cabinet secretaries serve at the pleasure of the President, a fact of life that the White House staff never lets them fully forget. Unless you are Zbig Brzezinski or Stu Eizenstat, time with the President is very limited. Jimmy Carter is not a president who encourages people to drop by and chat when they are in the neighborhood. Cabinet secretaries have quickly learned the folly of scheduling an appointment with the President without a fixed agenda. Hours can be spent circulating memos, talking with White House aides, and trying to develop a consensus within the administration in an effort to orchestrate a 15-minute meeting with the Leader of the Free World.

In some ways, Congress can be an even more demanding taskmaster. It is the rare agency head who does not fear the wrath of the chairman of his appropriations subcommittee. Cabinet secretaries—and assistant secretaries—waste countless hours each year in congressional committee rooms reading long, staff-written statements in a dull monotone. (One reason congressional testimony is about as interesting as the Vladivostok phone directory is that it is written by agency lawyers, who must clear every paragraph with the humorless fellows over at OMB to make sure it contains no original insight or hint of human feeling.) Moreover, congressional hearings are run with the same concern for time as an AMTRAK train schedule. Cabinet secretaries rarely are kept waiting more than an hour, but assistant secretaries, who command far less deference, can spend entire days being treated with the same courtesy that the average citizen receives when he is called for jury duty.

Editorial writers would defend the large amount of time spent on the care and feeding of the press as just another reflection of the public's right to know. Cynics would dismiss the courting of the press as an indication of the large ego-need of public officials. Reality is somewhat different from either of these facile explanations. The federal government needs *The Washington Post* and *The New York Times* for the same reason that the Russian bureaucracy needs *Pravda* and *Izvestia*. Most of what the secretary of HEW knows about the Agriculture Department comes from reading the newspapers. Almost all of what the White House staff knows about the operations of federal programs comes from the press. Jimmy Carter has been known to call Cabinet secretaries when

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critical articles on their programs run in papers like *The Chicago Tribune*. Anyone who has seen the prose style of memos to the President can understand why Carter is more apt to react to a well-written article in a major paper.

Reputations in Washington also depend on the press. Alfred Kahn's selection as anti-inflation czar, which seems to be the best current example of the Peter Principle at work, was undoubtedly influenced by the glowing press clips Kahn received while head of the Civil Aeronautics Board. A Cabinet secretary can become apoplectic when a leading columnist suggests he is losing his clout with the President. Everyone in the administration scrutinized *U.S. News and World Report*'s recent cover story ranking the Cabinet, even though it was apparent that their ratings were skewed by the magazine's conservative bias. As long as power depends on the appearance of being listened to by the President, and as long as newspapers are the primary conveyors of that appearance, high officials will always make time for reporters.

The fourth group, the special interests, like to have government officials make luncheon speeches. Leading administration spokesmen often spend more time in the ballroom at the Washington Hilton than the hotel's banquet manager. Most of these speeches are colossal wastes of everyone's time. Communication at these convention luncheons is all one-way—the speaker is escorted to the dais, politely tries to eat a lunch of chicken and green peas with baked alaska for dessert, talks in a predictable vein for 25 minutes, sits down to polite applause, and then is whisked to his waiting car.

Yet just try to get out of them. Even when an official tries to pare his speaking schedule down to a few a month, he is always subject to last minute requests to substitute for some other official. Cabinet secretaries are invariably asked to pinch-hit for the President and lesser officials are asked to substitute for Cabinet members. It is amazing the number of administration speakers that an important special interest group can demand. It is routine for five Cabinet secretaries and four senior White House aides to make speeches during a three-day convention of the League of Cities or National Association of Counties.

Out-of-town speeches are in a class by themselves. Assistant secretaries are

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particularly prone to spend two days in San Francisco and do nothing more than talk to 100 people at a conference and visit the regional office. Cabinet secretaries have been known to give speeches in St. Louis, San Francisco, and Las Vegas, all within a 24-hour period. During the height of the convention season, one has the sense that half the administration is changing planes at O'Hare Airport.

Since most special interest groups are never satisfied with the record of the administration in their area of parochial concern, it is hard to understand what would be lost if high government officials started saying no to these obligatory invitations.

The Tyranny of Meetings

Obviously, the person running a major federal department should not operate in a vacuum. But what contact a Cabinet secretary has with the outside world is filtered through these four external constituencies. The domestic staff at the White House and at OMB can put pressure on Cabinet departments to improve ineffective programs. Congress has been known to run informative oversight hearings. Dealings with the press can consist of an elaborate exchange of information, and there are skilled officials who learn far more than they reveal. Special interest groups, when they can see beyond their sometimes petty concerns, have the resources to provide government officials with telling critiques of what is actually happening in the field.

But, as our hypothetical schedule suggests, government officials rarely encourage these tendencies. One is always trying to put the best face on events for the White House, Congress, and the press. Special interest groups are often too wedded to federal programs to blow the whistle on flagrant waste and mismanagement.

What about the one third of the day that is theoretically devoted to running the government? Unfortunately, governing has become synonymous with attending meetings and initialing staff-written memos.

An entire article could be written about the tyranny of having to attend government meetings. It is a truism that nothing useful has ever been accomplished in a room filled with 40 people. Yet Anne Wexler used to

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convene such mass assemblages under the guise of coordinating the administration's urban policy. One meeting consisted of little more than learning how to fill out weekly reports so the administration could track the urban policy on the White House computer, including a crucial explanation of the difference between task reports and activity reports. Last summer, Stu Eizenstat and Joan Mondale convened a meeting in the Roosevelt Room to launch a White House review of federal arts policy. In her best faculty senate manner, Juanita Kreps soon had the assembled Cabinet members and other luminaries discussing that pressing topic, "What is culture?"

The President conducts biweekly Cabinet meetings. Therefore, Cabinet members conduct biweekly staff meetings. There are all the leading political appointees of a department arrayed around a long conference table. These desultory discussions are generally dominated by those who have the least access to the Cabinet secretary. This is their forum to air their narrow concerns; this is their opportunity to raise anew all the detailed points they made in the memos that were never answered. Meanwhile, $1 million worth of high-priced government talent sits with blank expressions on their faces trying to remember whether they picked up their clothes at the dry cleaners.

Briefings, especially at the Cabinet level, are just another species of large meetings. However, briefings do give staff aides the opportunity to tell reporters, "Oh, yes, the Secretary was briefed on that just last week." Briefings begin when an assistant secretary or department head arrives in the Secretary's office with eleven career bureaucrats in tow. These briefings are often the only time that many career civil servants actually get to see the person who is running their department. Armed with charts and other visual aids, the bureaucrats describe the functioning of some program in the most minute detail. The Secretary, fighting to keep awake, asks a few perfunctory questions. Sometimes someone learns something useful at a briefing. This is usually accidental.

There is only one kind of government meeting that is consistently effective. These occur when four or five people sit around a table to thrash out a response to a problem that won't go away. Unfortunately, these ad hoc meetings rarely have anything to do with running the government. Rather, they are triggered by the need to respond to one of the four outside constituencies. Briefings to prepare for a press conference or congressional testimony are run with a high degree of candor, insight, humor, and focus. But these small group sessions never seem to work when the topic is running government. Maybe that's because high-ranking government officials simply don't know what's going on in their own departments.

Talking To The Bureaucrats

One of the first things you learn in government is that the corridors of power are seldom traveled. High-ranking government officials tend to talk only to other high-ranking government officials. When the President wants to know about health maintenance organizations, he doesn't call a bright GS-13 at HEW, he calls Joe Califano. An inquisitive Cabinet secretary calls in one of his assistant secretaries, when he has a question. And, so on through an elaborate and formal pecking order. White House officials talk only to other White House officials, Cabinet members, their high-ranking aides, and a few special pleaders from the outside world. It is this kind of protocol that paralyzes the information flow essential to (though essentially missing from) government.

With every minute of their days filled, high government officials don't have time to talk to the career bureaucrats, who actually know what is going on. Sometimes they don't even want to. A story, perhaps apocryphal,

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is told about a briefing conducted for Joe Califano. It was on an obscure program, and the person best versed in this arcane area was a lowly GS-14. The relevant assistant secretary and the deputy assistant secretary accompanied the GS-14 to brief Califano. Califano took one look at the unfamiliar face of the GS-14, asked, "Who are you?" and, upon discovering the rank of the man ushered into his presence, ordered him from the room.

Occasionally, a Cabinet member decides to broaden his horizons and asks an assistant secretary to set up a meeting with some of the career bureaucrats. A noble gesture, but one that is almost automatically self-defeating, since each of the career bureaucrats will spend the entire meeting looking for approval from their boss, the assistant secretary, before venturing the most innocuous of opinions.

The solution would seem to be that high-ranking officials should spend more time outside of Washington talking candidly to the people running programs. Jimmy Carter had the same idea when he took office. He asked each Cabinet member to send him a memo outlining what they intended to do to keep in close touch with the American people. Staff aides, new to government but filled with good intentions, came up with the requisite number of bright ideas—town meetings, telephone call-in sessions, and plans to spend a day in the bowels of the bureaucracy. Many of these projects were begun, but quietly abandoned when it became clear that Cabinet members have almost as much difficulty going among the people as the President himself. After the first round of memos, Carter never raised the matter again.

The problem is celebrity. Cabinet members like Cecil Andrus and Pat Harris are not mobbed by autograph-seekers when they walk through airports, of course. But when Andrus visits a national park or Harris inspects a housing project they create as much commotion as when John Travolta visits a disco. Assistant secretaries so obscure their wives have trouble remembering their names find themselves fawned over when they spend a day in the field surrounded by their regional employees and those local hustlers who depend on a steady stream of federal largesse for their livelihoods.

The typical inspection tour for a government big-wig begins at the airport, where the visiting dignitary is met by a retinue of regional administrators, local program managers, and local information officers. From there, the dignitary is whisked to the local office of his department or agency, where a handshaking tour among the employees has been scheduled.

The morning then begins in earnest with a briefing—this one conducted by the regional and local administrators. There are three differences between this briefing and one in Washington: the office furnishings are more spartan, the briefing is even more laden with meaningless detail, and the briefers are even more nervous to be in the august presence of the dignitary from Washington. Often the briefing is augmented by a slide show; and sometimes these slides are the closest the official comes to the program he has journeyed 1,000 miles to see.

The briefing invariably runs late, and around 11:30 the first stop on the planned itinerary is dropped. The original retinue, augmented by most of

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the briefers, then piles into three government cars and heads for the second stop on the schedule. On arriving, the visiting official is ushered into the program director's office and given—yes!—another briefing. If the visiting dignitary is willing to risk offending his hosts, he is sometimes able to sneak away after 15 minutes, and maybe even catch a peek at a program.

But what does seeing a program mean? If it is an education program, it means you walk through classrooms. If it is a housing program, you trudge up stairs. If it is a jobs program, you look at people working. Mostly you just walk, followed by an entourage that has grown by now to about 25 people. The official takes on all the mannerisms of a political candidate: he asks banal questions of the participants, such as whether they enjoy the program. They invariably do. He gazes intently at some incomprehensible machine. He asks a few more questions and gets predigested answers. Then, mercifully, it is time for lunch.

Lunch is in the local Holiday Inn. Often this is the time when the mayor or the local congressman makes an appearance. The visiting official is seated between the two people with the grandest titles and the least firsthand knowledge of how the program operates. If he is of Cabinet rank, often there is a press conference after lunch. He is asked how he likes the local program, even though he has spent exactly 47 minutes looking at it. The afternoon is a grim replay of the morning.

There are, of course, trips in which officials have their time better allocated or make a determined effort to escape the constraints of their schedule. But even then, it is only accidental when the official gets any sense of what is happening in the field. The word cover-up is a bit harsh, but honesty is not exactly the watchword for these visits. About a year ago, a high-ranking administration official visited a program office that had been known to have a huge backlog of unopened mail. He was impressed during his visit by how neat and orderly the mailroom seemed to be. Only later did it seep out that 10,000 unacknowledged letters had been hidden in a broom closet in honor of his visit.

Captives of the Cards

Most Cabinet officials are prisoners of their exalted station in life. The federal government is a hierarchical institution, and officials, at all levels of the hierarchy, conspire to keep their department head as insulated from reality as possible. Often secretaries are true believers in their own programs and no more want to acknowledge problems than their underlings want to reveal them. Even in this year of fiscal austerity, the federal budget is filled with duplicative social welfare programs that are kept in the budget partially because Cabinet secretaries are willing to go to the President to fight for them.

And the prospects for reform are not especially bright. I keep waiting to hear or read of an agency head who went desk-by-desk through the bureaucracy he administers asking people what they do all day. Projects like this take time, and federal officials have to stick to their iron-clad schedules. Unorthodox ideas are always the first thing erased from the schedule when someone demands that a meeting be held or a speech given.

Until the time comes when they are willing to give the unorthodox idea priority over the 9:00 a.m. strategy session, Cabinet secretaries will continue to fill their days with meetings, briefings, speeches, press conferences, and inspection tours, captives of their three-by-five cards, and blissfully ignorant about the agency they are supposed to be running. Meanwhile, in the labyrinths of the federal government, life will go on, as it always has, regardless of who is occupying the fancy offices in Washington. ■

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Tidbits and Outrages

[illegible] Amin

[illegible] reports that Connie Mulder, South Africa's Minister for Black Affairs, told a meeting last month that South African whites deserve a Nobel prize for what they have done for blacks.

Educators Can Hustle II

The Hunterdon County (New Jersey) adult education program offers courses in "Mixology" (how to prepare mixed drinks), "Hustle I and Disco Dancing," "Dog Obedience I" and "Dog Obedience II," and "Self Assessment and Assertiveness Training." Also available (ten sessions for $75) is "Adventures in Attitudes," which is described as including "Effective Communications, The Dynamics of Attitudes, Managing Your Mind, Understanding People, Your Magnetic Personality, Good Human Relations, Attitudes and Leadership, Motivation, Goals & Self-Management and A Wonderful New Life."

But We'll Be Ready For the *Next* Mass Cult Suicide

We have left to other editors the task of explaining the darker recesses of the human mind that were briefly revealed by the Jonestown tragedy. What has gripped us is the performance of our State Department. Here's the latest installment, by Gregory Rose in the December 21, 1978 edition of *The Washington Post*:

"More than a month after escaping death at Jonestown, 12 American defectors from the Peoples Temple cult are still trying to leave Guyana and are blaming the U.S. embassy here for their plight.

"Dale Parks, who had assumed leadership of the defectors, many of whom are his relatives, told reporters yesterday that 'we were lied to on a daily basis' by U.S. consular officers at the embassy.

"According to Parks, the defectors have been trying for three weeks to arrange through the embassy for transportation out of Guyana. The defectors are not under investigation by Guyanese authorities and are not among those Jonestown survivors identified by Peoples Temple members and defectors in the United States as being potentially dangerous loyal followers of Jones.

"Nevertheless, according to Parks, the U.S. consular officials told them at one point that the embassy could not give them their passports because they had not been cleared for release by Guyanese officials.

"Only after he took a Guyanese lawyer with him to the embassy to complain, Parks said, did the consular officers provide the passports and necessary travel documents. 'We had to take a Guyanese lawyer into the embassy,' Park said, 'to get our U.S. civil rights.'

"During the past week, Park said, the defectors were told by the embassy, which must provide their air fare home under a government program for that purpose, that there was no room for them on U.S.-bound flights. Newsmen and others have had no difficulty obtaining airline bookings on short notice. . . ."

Up Close and Personal in the White House

The following episode is from *Foxy Fannie*,* a new novel by Patrick Anderson, who was Jimmy Carter's chief speechwriter during the 1976 campaign. To understand it, all you need to know is that Bud is Hamilton Jordan, that Tom Painter is Jimmy Carter, and that what it reveals about Carter's nature is, if minor in its significance, completely devastating.

"Bud went to the Cabinet Room at three for a budget briefing. . . . Frank Cetto was there, . . . along with the director of the Office of Management and Budget and the chairman of the Council of Economic Advisers. Each of these senior advisers had brought two or three young aides—the four senior advisers sat at the Cabinet table, while the eight or nine young aides took seats along the wall. It was a big moment for them, the payoff for their 80-hour weeks; that night they would be able to tell their wives and friends they had attended a meeting with the President.

"Bud was Tom Painter's brother. He looked around the room and demanded coldly:

*Published last month by Simon and Schuster.

continued on page back

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'Why are all these people here?'

"There was a stunned silence; then the young men began gathering up their notebooks and briefing papers and scurrying from the Cabinet Room, their faces pale, their eyes wide, their belief in the infinite goodness of Tom Painter at least temporarily shattered. . . .

" 'That's better,' Tom said when the last of the young men was gone and only he and the four senior advisers were left. 'We've had some outrageous leaks lately. If there's a leak from this meeting, at least we'll have only four suspects.'

" 'Five, Mr. President,' Bud drawled.

"The President was unamused.

"As the OMB director, a pale, frail, freckled man in rimless glasses, began his 'overview,' Tom Painter noticed that kindling and logs had been neatly laid in the fireplace. He got up and muttered something about a fire bringing cheer to a room, and put a match to the kindling. Everyone smiled and nodded and hoped that the cheery fire would improve the President's mood. Painter sat back down and interrupted the budget director to deliver a little speech about how the American people were going to have to exhibit 'stoicism' if the nation was to meet the economic crisis. Everyone nodded and wrote 'stoicism' on his notepad, and it was then that Bud noticed the smoke.

"The kindling had caught nicely and sent small flames shooting up the logs. The problem was that the damper was closed, and instead of going up the chimney, the smoke was flowing into the Cabinet Room. No one acknowledged it at first. The budget director resumed his overview, but he was sitting nearest the fireplace and he soon began to blink, then to cough. But the President ignored the smoke, and the others followed his example. Bud was farthest from the fire, so he figured that at least he'd be the last to go. As the OMB director sputtered on, the smoke reached Frank Cole, who tried to blow it away, puffing out of the side of his mouth when he thought no one was watching, but soon he was weeping and coughing too. 'Mr. President,' Frank gasped. 'Why don't I fix the damper?'

"The President ignored his suggestion, which Frank took for approval, and he rushed into the billowing smoke and began to jiggle the little handle that worked the damper. It didn't work. After a moment, Frank staggered toward the French doors. 'Open doors,' he whispered. 'Air.' He twisted the handle of one of the French doors, but it was locked.

" 'Sit down,' the President snapped. 'It's just a little smoke. It'll go away.'

"Just where it was supposed to go, except into their lungs, was unclear, but Frank sat down, and when the budget director could not go on, Painter called on the chairman of the Council of Economic Advisers. You could hardly see across the Cabinet table. Everyone except the President had sunk down in his chair, on the theory that smoke rose up and the fresh air was nearer the floor. The chairman, wiping unashamedly at his eyes, gasped out his analysis of the economy, with Tom Painter listening intently. But no one else was listening. . . .

"Suddenly the OMB director cried, 'I can't stand it,' sprang to his feet, seized the water carafe from the table and flung its contents onto the smoldering fire, which caused a huge cloud of smoke to shoot up from the fireplace and engulf him. The OMB director fell to the floor, losing his glasses, and began to crawl toward the door. . . .

" 'Mr. President,' Frank Cole whispered, 'perhaps we could adjourn to—'

" 'A little smoke never hurt anybody,' Painter said grimly, and then the fire alarm went off.

"The door flew open and two Secret Service men raced in. 'This way, Mr. President,' one of them shouted.

" 'Fix that damper,' Painter snapped. 'And cut that blasted bell off.'

" 'Don't worry sir, the firemen are on the way,' the agent promised. He had taken a handkerchief from his pocket and put it over his face.

" 'We don't need any firemen,' Painter cried. 'Oh, hell, we'll move the meeting over to my office.'

"They stumbled across to the Oval Office just as the firemen arrived, and the budget meeting resumed. After awhile, Bud noticed the firewood carefully stacked in the Oval Office fireplace, and he was sorely tempted to say, 'Mr. President, how about a nice cheery fire?' but he decided to leave bad enough alone."

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Inspectors General: The Fraud in Fighting Fraud

by Joseph Nocera

Fraud in government is a hot topic these days, thanks in large measure to CETA, Medicaid, student loans, defense contracts, GSA, and Joseph Califano, the inimitable Secretary of Health, Education and Welfare. The first five make the newspapers with some degree of regularity because of the fraud they have engendered; Califano, meanwhile, is in the news almost as much because of his much-ballyhooed effort to stamp out fraud in his gargantuan ($136 billion in fiscal 1977) department.

The Secretary's latest coup was his sponsorship, a few months ago, of a national conference on waste, fraud, and abuse that attracted hundreds of government gumshoes from all over the country (as well as what has become, for Califano, the requisite dose of favorable publicity). As he has in the past, Califano used the occasion to expound at some length on the basic theme of his anti-fraud pitch. It might be entitled, "The Liberal Case Against Fraud and Abuse."

The nation, he has said, has been hurt "by the false claim that many large federal programs, despite substantial expenditures, do not work. . . . It was the challenge of liberalism in the 1960s to enact long-delayed and much-needed social programs. It is the challenge for liberalism in the 1970s to manage those programs well."

Joseph Nocera is an editor of The Washington Monthly.

Jimmy Carter, who himself has not been shy about deploring waste and fraud in government, was a featured speaker at the conference, as was Francis M. Mullen, Jr., a heavyweight at the FBI, who assured the assembled multitudes that they need not fear for job security. "There's plenty of fraud out there for everyone," he said.

In the crowd, mingling with the state and local investigators, the FBI agents and the postal inspectors, was the newest breed of government sleuth: the people who work in the various federal agencies under the aegis of the inspector general's offices. It was only last October that Carter signed into law a bill establishing an Office of Inspector General in each of 12 federal agencies, and it is a law the President is taking very seriously indeed. Despite his well-documented distaste for personnel matters, Carter has asked each agency for the names of the three finalists for the position of inspector general, and he is personally interviewing the candidates.

The Office of Inspector General is supposed to house an elite corps of internal investigators for each agency who will serve as the advance troops in the war against fraud, abuse, mismanagement, error, theft, and all the other ways the government wastes money. They are supposed to have a free hand to investigate anything that strikes their fancy, and enough independence and autonomy from their department heads to insure that

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they can do that. In addition to their crime-busting function, inspectors general are supposed to figure out how to *prevent* crimes from happening in the first place.

To keep a department secretary's potentially meddlesome hands off his inspector general, the law strips the secretary of the power to fire him (only the president can do that, with due cause, and GAO must then investigate the reasons), and it instructs the inspector general to file reports periodically to appropriate congressional subcommittees, compiling a list of what he's looked into and what he's found. It allows the secretary to comment upon—but not to edit—the reports. (Typically, the Justice Department opposed these features of the bill when it was first being discussed, citing the "separation of powers" doctrine of the Constitution. An inspector general, Justice said, couldn't serve both Congress and a department head at the same time. This was roundly scoffed at on Capitol Hill, and after Carter made it known he liked the bill just fine the way it was, Justice decided that maybe the idea wasn't so unconstitutional after all.)

As a companion to the cops-and-robbers responsibilities, the inspector general, in theory at least, has a third job. As the article by Amy Merrill in this issue makes painfully clear, the higher up one is in the bureaucracy, the less one sees of the life below. Days become a mind-numbing mish-mash of programs and projects, of projections and processes, of inputs and outputs, of neat little hierarchical boxes on a blackboard. It is one of the most natural, if most unfortunate, tendencies of bureaucracy that the more powerful your position, the more time you'll spend on any given day listening to baloney.

The inspector general is supposed to be the one who can cut through the layers of baloney and tell the secretary (and the Congress, which wants in on all this potentially juicy information) the truth, the whole truth, and nothing but the truth.

Inspectors general are supposed to be looking at programs with the jaundiced eye of an outsider; "asking all the stupid and obvious questions no one connected with the program has asked for ten years," in the words of one administration official; getting out of their offices and into the field where the caseworkers and the recipients reside and where the frustrations are too immediate to be glossed over; and in general, finding out the answer to that eternal if seldom-asked question of the bureaucracy: "What the hell is going on out there?"

In theory, at least. . . .

Early on in the administration—indeed, well before Carter signed the bill—two agencies set up Offices of Inspector General. One of these, of course, was Califano's HEW, where the Secretary eagerly embraced the idea, decrying the excessive waste allowed by the Republicans that had given HEW a bad name and launching his "new-liberalism-is-sound-management" campaign. In March, 1977, the HEW inspector general began operation.

The other agency was the newly created Department of Energy, where an Office of Inspector General was written into the statute that brought DOE to life. Here the reaction of the Secretary was quite a bit different from Califano's. Although he did not protest too loudly in public (how would it *look*, after all, to say you were against an office dedicated to wiping out fraud?), James Schlesinger was not at all keen about having people around who would be looking over his shoulder and questioning his programs. After a good deal of behind-the-scenes kicking and screaming, Schlesinger accepted his inspector general's office with all the grace of a kid who's just been ordered to his room. He promptly exiled the inspector general to a condemned building far away from the main Department of Energy headquarters.

Because both HEW and DOE have had a head start on the other agencies in establishing offices of inspector

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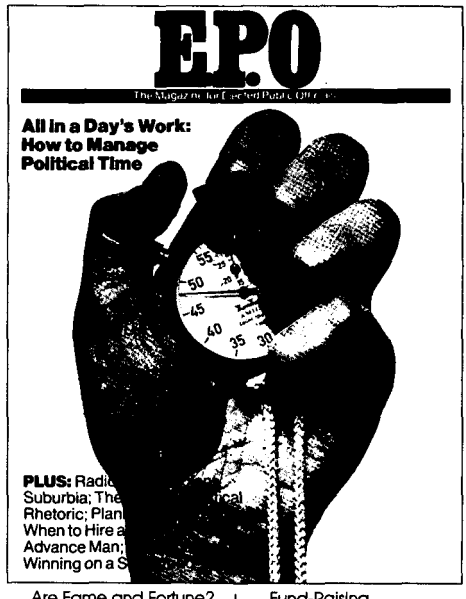

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general, they have track records on which their performance may be judged. Indeed, at HEW, the inspector general was put in place early for precisely that reason: both Congress and the administration were curious to find out how the office worked and whether it should be copied government-wide. Subsequent actions—the bill having passed Congress in a landslide, and Carter having signed it with considerable fanfare—make it clear that both thought the answer was a resounding "yes." But a closer look reveals that the results in this experiment in good government have been a lot more mixed than anyone connected with it has been willing to admit thus far. At the Department of Energy, because of Schlesinger's unwillingness to take them seriously, his in-house investigators have been neither aggressive nor effective. At HEW, the record is nowhere near that dismal; because of Califano's boosterism, staff morale is high, attitudes are reasonably aggressive, and the investigators have scored a number of victories against fraud. But the office has not been the stirring, smashing success the secretary likes to make it out to be.

On The Other Side

First, though, some history. Neither the idea nor the title, the actual *words* "inspector general," are new to bureaucracy. Agencies have always had their share of people who were supposed to be internal investigators—and more than a few of them were called "inspector general"—and they generally have a sordid past. "Bah," said A. Ernest Fitzgerald, the king of whistle-blowers, when asked about the new push for inspectors general in government, "they won't do any good. *They're on the other side.*"

The military has had inspectors general since 1813, officers charged with looking into military abuses, people formally independent of other channels of command, but to people like Fitzgerald, they have always been on "the other side." And for good reason. The combination of bureaucratic pressures within the military has thoroughly overwhelmed any desire by an inspector general to do the kind of job the military needs. That can ruin a promising career—it makes superiors mad, superiors who might sit on a promotion board, say. The same forces have made military inspectors general more than willing to go after whistle-blowers instead of those they accuse.

Deena Weinstein, an associate professor at DePaul University who has spent some time studying the Army's inspectors general, finds them generally ineffective even in investigating something as basic as soldier's complaints. The problem, she writes, is that "the I.G. personnel are recruited from the line officers who, after a brief stint, return to the line." Thus, "the officer serving in the I.G. has been socialized to see the value of the chain of command," and doesn't take kindly to soldiers who complain to him. She cites one rather chilling anecdote:

"Sergeant Hayden filed a complaint against a superior officer charging him with conduct unbecoming an officer. An officer of the Inspector General conducted a two-week inquiry and not only confirmed the charges but found further detrimental information against the accused major: '. . . petty theft, drinking on duty, and calling the Air Force Secretary a meddling fool and an idiot.' The Inspector General asked Hayden to drop the charges and when Hayden refused he was ordered to the mental health clinic for evaluation. There, too, he was asked to drop the charges. His refusal led to his transfer into the psychiatric facility at another base, Lackland. Fortunately for Hayden, the doctors at Lackland discharged him with 'a clean bill of health' after two weeks of examination."*

*The Weinstein material is from her book, *Bureaucratic Opposition: Challenging Abuses at the Workplace*, to be published next month by Pergamon Press.

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Of course, that sort of thing doesn't go on only in the military. In the State Department, top-level foreign service officers are required to put in a two-or-three-year stint inspecting the work of our embassies overseas and other State Department offices. This hardly encourages stinging critiques. Here's how the GAO put it recently: "On the one hand, the Foreign Service Officer has extensive experience in the foreign affairs area, but on the other hand, this same experience could lead the officer to accept present operating methods without raising questions that might occur to an independent observer."

Not only "could" but does—all the time. According to one person who has seen the process in action, most of the evaluation is done over a long, leisurely lunch where, for example, the London embassy people complain bitterly about the lack of support they get from the State Department, while the evaluator sits there nodding sympathetically. Then he writes a report about what a great job they are doing in London under the most trying of circumstances. With luck, this might get him a transfer to London when his tour of duty as an investigator is up.

In his forthcoming book, *The Search for the Manchurian Candidate*, John Marks notes another common phenomenon of being an inspector general—the fear that if you do too good a job, you won't have one. Lyman Kirkpatrick, the longtime CIA Inspector General had known about unwitting LSD tests performed by the CIA, Marks writes, but "had never raised any noticeable objection. He now states he was 'shocked' by the unwitting testing, but that he 'didn't have the authority to follow up. . . . I was trying to determine what the tolerable limits were of what I could do and still keep my job.' "

And then there is the matter of loyalty, the misplaced loyalty that puts the agency and personal friendships over any sense of commitment to the government as a whole and, to be blunt, to the truth as well. Of all the thousands of reports issued by government investigators in recent years, perhaps the most telling in this regard was one put out by the Nuclear Regulatory Commission called the McTiernan Report. Thomas McTiernan was the head of the internal investigations unit at the NRC, a man who had held a number of jobs in the government's nuclear establishment and was only a few years from retirement. A year ago last summer, another high-ranking NRC official, one Lee Gossick, was caught fudging on the truth before two congressional committees. Naturally, the committees demanded a full investigation, and McTiernan was given the task of finding out whether or not Gossick had lied. It was not a coveted assignment, inasmuch as McTiernan had been around a long time, and Gossick had been around just as long, and if they weren't bosom buddies, they felt a certain kinship as veterans of the nuclear bureaucracy. McTiernan produced a long and windy report that went on for hundreds of pages, but he could not bring himself to face up to the fact that Gossick probably had lied; in the summary, he said that Gossick might have made a misleading statement or two, but they certainly weren't intentional and were made at a time when Gossick was under tremendous strain.

There was a striking, if understandable, empathy for Gossick in this report. However at the same time McTiernan went after the person who had blown the whistle on Gossick with the bureaucratic equivalent of sharp knives. *That* person, McTiernan implied in another report, ought to be drummed out of the NRC. One of his superiors, quoted anonymously, suggested he might be a security risk; another thought he might do well to see a psychiatrist.

Can't Get The Money Back

Most of the new inspectors general have sent around department-wide memos encouraging whistle-blowers to

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come forward, and for the most part they have been resolutely ignored. Given the history of internal investigations, that is hardly a surprise. "You're a fool to be a whistle-blower, but you're a *real* fool if you blow the whistle to him (the inspector general)," said a veteran HEW dissident. Whistle-blowers have a hard time seeing much difference between these inspectors general and the offices they replaced. Most departments already had in place an office of audit and an office of investigations, and the people who worked in these sections were never known for their aggressiveness in finding and pursuing internal wrongdoing. Which brings us to one of the biggest hitches with the new inspectors general: where they come from.

When the office was set up in each department, the inspector general had to take the people who were already there, those who worked in the old office of audit or investigations. The civil service wouldn't have it any other way—which meant that the auditor who had been looking at department books for the last 20 years under the office of audit would continue to do that, except that now he would be doing it for the inspector general.

As a result, long-standing practices have continued of their own inertia. For example, at the Department of Energy, the audit staff and the investigations staff (both of which had existed at ERDA and FEA, the two chief agencies that combined to form DOE) had a history of not communicating with each other. That hasn't changed, even though they now both work for the inspector general. At HEW, although they have over 1,000 auditors who regularly find money misspent or contracts misused, the department has never been very good at getting any of the money *back*. That, for the most part, is still the case.

"The types of people you're going to inherit," says one government investigator, "are so narrow in focus they will miss the forest for the trees every time. The investigations work is incredibly parochial—never looks at a big picture, never focuses past one person or one crime. The audit staffs are still full of green eyeshade types, people who check the figures all day and if they add up, give the program a clean bill of health."

Even the new people hired haven't improved matters all that much. Most of the new investigators at DOE, for example, are former FBI agents (there is an incredible network of former FBI agents all working vigorously to hire each other), who have been well-schooled in how to catch bank-robbers, but not in figuring out *why* a crime took place and how to prevent it, or in chasing down more complicated kinds of computer crime. The one improvement that has been made at most agencies is ending the practice of having bureaucrats serve for a few years as investigators before moving elsewhere in the bureaucracy.

Carter is said to be looking for young, sharp lawyers to head the office of inspector general, people who have the smoothness to handle the press and no desire to become career bureaucrats. But neither Ken Mansfield, the Inspector General at DOE, nor Thomas Morris at HEW fits that bill. Both are career government investigators known primarily for their ability to survive, to compromise and who have learned, in Lyman Kirpatrick's phrase, the tolerable limits of what they can do and still keep their jobs.

See No Evil. . . .

Mansfield, it is said, got his job because he is a long-time crony of Senator Henry Jackson, chairman of the Senate Energy Committee, and he has continued to be a survivor. For all the talk of the independence of the inspector general, Schlesinger knows he has someone at DOE who will never cause him any serious problem or embarrassment; Mansfield will always stay under control. As a result at DOE the inspector general's office has fallen into the sadly

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typical role of seeing, speaking, and hearing as little evil as possible. They are undoubtedly, as Fitzgerald would put it, on Schlesinger's side, and have no more inclination to uncover problems in the department than Schlesinger has. Schlesinger and Mansfield are casebook studies in how easy it is to render impotent the vision of an independent inspector general.

That is not to say that DOE does not have its own internal critics; the place is crawling with whistle-blowers. They give Schlesinger the headaches the inspector general's office won't—by leaking to the staff of the House subcommittee on energy and power chaired by Rep. John Dingell. (One of the little truisms about bureaucracy is that whistle-blowers much prefer to leak to Congress and then let the congressional staffs leak to the press. That way, they are insulated from reporters by an extra layer of leakage.) Dingell's staff is full of good, aggressive people who like nothing better than to call some high official at DOE on the carpet or to slip a little nugget to Jack Anderson, who regularly excoriates the department courtesy of the subcommittee staff.

As a result, the DOE inspector general has spent very little time finding fraud or waste on his own, and a good deal of time reacting to the latest subcommittee charge. Although they should be working together, the inspector general's office and the subcommittee staff are not on friendly terms, and the inspector general has reacted defensively (read: bureaucratically) to any charge that's made.

So when the subcommittee discovered one DOE employee taking worthless trips courtesy of the government and turning in fraudulent travel vouchers, the investigator from the inspector general's office went to the employee's superiors, and asked them if he was doing anything wrong. When they replied no, the investigation ended.

In a more serious case last summer, the subcommittee questioned the fitness for office of a high-ranking DOE official, claiming that he had, among other things, falsified his educational background, claimed two jobs he never held, claimed an award he never won, threatened potential DOT contractors while working for that agency, ordered the shredding of government documents to thwart public access, and committed a host of other sins.

Here the inspector general (and remember, this is a man with statutory independence—he can't be fired by the secretary) showed his mettle. First his investigators intimidated the witnesses by acting so obviously hostile they felt they were being threatened. Then the investigators made each witness sign a single form. This showed witnesses who else was talking and, more importantly, showed them that there wasn't going to be a lot of confidentiality in the investigation. Then the inspector general turned in his report: hundreds of pages of notes, interviews, and memoranda that failed to identify possible violations of federal laws, agency regulations, and standards of conduct, and ignored the most serious finding of impropriety. Finally, after the report was issued, the inspector general held off taking any action in the hope that the official would retire voluntarily, as it is rumored he might. This would keep the inspector general from having to do anything unpleasant.

The Numbers Game

At HEW, the situation is better. Undoubtedly, much of this springs from a genuine desire on Califano's part to root out fraud in his department, but it also comes from the realization that if he didn't do it, someone else would. When Califano came into office, the rise in the rate of student loan defaults was on the front pages, and Medicaid scandals were breaking all around him. Califano had reason to worry. If he didn't do

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something quickly, Congress could take matters into its own hands—budgets could get cut, programs might be slashed, all the things that give Cabinet secretaries nightmares.

So Califano's inspector general, Thomas Morris, has been busy working up computer techniques that allow HEW to pinpoint duplicative welfare payments (savings, according to HEW: $50 million), to identify physicians and pharmacists filing improper Medicaid bills (nine indictments, three convictions, and "54 other cases sent to prosecutors"), to reduce the error rate in social security payments ($93 million saved), and to improve student loan payback rates ($50 million saved). The inspector general's office has also been quick to chase down fraud exposed in the papers, and quick to insure that they receive proper credit. When I was in the office of Bob Wilson, the inspector general's p.r. man, I saw a large stack of copies of a letter from Califano to Rep. John Moss, promising to go after two contractors. This bit of private correspondence had originally been "leaked" to *The Washington Star*.

The idea has been to show quick results and large savings. It is a numbers game. To any reporter who asks, Wilson will gladly hand over a two-page list of all the ways the office has saved government money since coming into existence. It adds up to hundreds of millions of dollars. Morris explained in an interview, "We have to depend on numbers because that's what the Congress and the press look at to show results." To keep Congress and the press happy, Morris has set quotas and target levels for reducing waste up through 1981. It all seems terribly efficient, except as one HEW investigator said, "I'd hate to be the one to have to prove those numbers."

From the beginning, Califano made it clear that this was the way he wanted the office to run. Soon after the office was established, Califano exclaimed grandly that the office's computers had estimated that between $5.5 and $6.5 *billion* was wasted every year at HEW. Those were big numbers, big enough that newspapers all over the country picked them up and have been using them ever since. What has not been mentioned much is that Califano blamed a great deal of this on *legislated* waste (as opposed to fraud)—for instance, he said the failure to pass a hospital cost containment bill was one reason the government wasted billions.

That was a sound criticism—health care costs have gotten way out of hand, and the government deserves a good helping of the blame. This is program failure of the first magnitude. But Califano has not allowed the kind of criticism he leveled at Congress to be directed at on-going HEW programs by his inspector general. Although Califano has not laid out any explicit directives to this effect, he has not had to; Morris understands the parameters. When I asked him if he felt restrained in how far he could go in criticizing Califano's beloved HEW programs, Morris replied: "I believe in all those programs too."

And that is the problem. Like Congress and the press (not so coincidentally) the inspector general at HEW is terrific at finding crooks and robbers. What he is not good at is taking the next (and indeed, the more important) step. He can collar all the student loan defaulters in America, but he can't (or won't) tell Califano what's wrong with the student loan program and how it should be changed. He can find phony education consultants, but can't explain why so many of HEW's education programs haven't improved the quality of education in America. In this, Califano's inspector general's office comes complete with a convenient set of blinders, for the game they are playing is based on the idea that if you can keep coming up with a steady stream of fraud, you don't have to worry about the billions wasted every year on sheer (but oh-so-legal) nonsense.

It would not be completely fair to say that *no one* at HEW looks at programs. In the inspector general's

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office, a department with well over 1,000 investigators and auditors, a grand total of 15 people have been given that vital assignment. They are called the division of "Health Care and Systems Review."

Sadly, they do not have the bureaucrats quaking, partly because they are so terribly understaffed and partly because they have the endemic problem of producing unreadable reports, written in the technojargon understandable only to a GS-14. As long as the bureaucrats are the only ones who can understand these reports, they can also blithely "minimize their impact." It is the implicit threat of exposure that makes any evaluation effective, and that can work only if the exposes are written so that the congressman on the oversight committee and the reporter on the beat can understand them. Systems reviewese threatens no one.

The SPRO Fiasco

Perhaps the most telling example of how an inspector general's office can fail is the case of the Department of Energy's SPRO program (for Strategic Petroleum Reserve Office). Under SPRO, the energy department is supposed to buy and store oil in various locations in the Southwest, and for the past three years it has ostensibly been doing that. Unquestionably, this is one of the most important and useful things the government can do these days. With the threat of another oil shortage always hanging over our heads (witness the recent turmoil in Iran and its potential implications for U.S. oil supplies), here was the program that would ease us through any future crunch, the first line of attack in our moral equivalent of war.

The DOE inspector general has also been there from time to time to make sure everything was running smoothly and legally. According to someone involved in those investigations, the investigators spent their whole time looking into specific allegations and complaints—possible misconduct by this official, potential theft by that workman. What they failed to look at was the broader and more important picture: the justifications for the money being spent; evaluations of whether the policy was being carried out; a tough look at whether the program managers had a firm grasp on the situation.

While they were busy missing all this, the projected costs of the program were rising daily (from $25 to $30 billion), the work had fallen far behind schedule, and there were only 68-million barrels placed in the ground in three years instead of the scheduled 250 million. In one of its most vital programs, DOE has completely botched the job, and the inspector general's office was nowhere to be found with the criticism that would have raised the red flags. They either didn't see or didn't want to.

An inspector general who was doing the job the way it could be done would have raised those red flags early and often, would have woken up the Congress and the public to the problems, would have forced changes in the SPRO program before it had become so horribly mismanaged, and would have saved us billions of dollars.

That is the kind of potential that lies in the offices of the inspector general and that is why their creation is so important. This is also why what has happened at DOE and HEW is so lamentable. In their own ways, both Morris and Mansfield have fallen into the oldest trap of all—instead of asserting independence and authority, they have come to function exactly as their respective Cabinet secretaries want them to. And if the rest of the inspectors general go the way of these two, the hundreds of program managers in Washington will have nothing to fear. Despite all the hoopla over inspectors general, there still won't be anyone asking the question: "What the hell is going on out there?" ■

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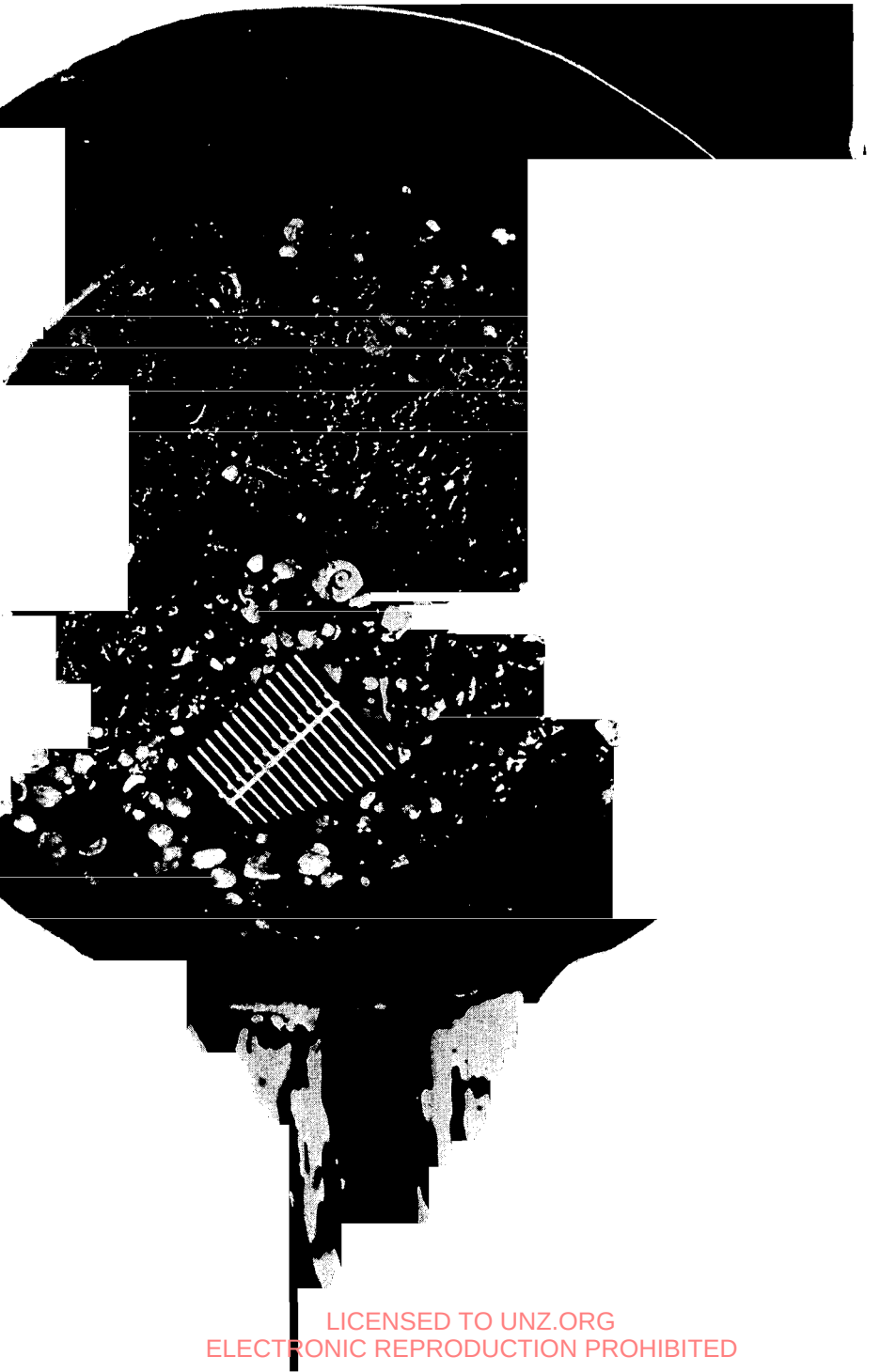

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Memo of the Month

THE WHITE HOUSE

WASHINGTON

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The checklist below is provided to simplify procedures for your separation and to notify appropriate White House Offices of your departure. Signatures must be obtained for each item. It will not be possible to arrange for issuance of your final paycheck until this form has been satisfactorily completed and returned to the Personnel Office.

Name James M. Fallows Date of Separation 11/25/78

Current Address 4640 Reservoir Road, DC 20007

Forwarding Address Same

1. The employee's parking permit has been removed and remains have been returned to my office.

   H David Lindsey

   White House Branch
   Uniformed Division, USSS
   EOB, Room 22 (Ext. 4420)

2. The clearance for Special Privileges has been satisfied with the Office of the Staff Secretary.

   Staff Secretary
   West Wing (Ext. 7052)

3. Equipment charged to the employee has been returned to the White House Communications Agency.

   Commanding Officer
   White House Communications Agency
   EOB, Room 597 (Ext. 4040)

4. The employee's final bill has been paid and his White House mess privilege has been cancelled.

   Julian R. Abruzzese

   White House Staff Mess
   EOB, Room 403 (Ext. 2568)

5. The employee's Official or Diplomatic Passport obtained for official White House use has been returned to the White House Travel Office.

   Billy R Dale

   White House Travel Office
   EOB, Room 87 (Ext. 2250)

6. The employee has satisfied the requirements for debriefing and deposit of presidential papers.

   C. L. Henley

   White House Central Files
   EOB, Room 68 (Ext. 2240)

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7. The White House Federal Credit Union has been notified of the separation, the employee's forwarding address, and firm arrangments have been made for the repayment of any outstanding loans.

J. Kruchsky

White House Federal Credit Union
EOB, Room ~~47~~ 43 (Ext. 2900)

8. The employee has satisfied the security debriefing requirements.

J. Benniddie

White House Security Office
EOB, Rm. 109 (Ext. 2345)

9. The White House Mail Room has been advised where mail may be forwarded.

Cay Curtis

White House Mail Room
EOB, Room ~~92~~ (Ext. 2591)

10. The employee's White House or EOB Pass has been surrendered to the Secret Service. Will keep till 12-18-78 per Jacque.

Janet Tuedine

Special Agent in Charge
Technical Security Division
United States Secret Service
EOB, Room 23 (Ext. 2376)

11. The White House Telephone Switchboard has been advised where telephone calls may be referred.

Kathryn McKenna

White House Telephone Service
EOB, Room 09 (Ext. 2134)

12. Books charged to the employee have been returned.

Jennifer Perdet

White House Reference Center
EOB, Room 130 (Ext. 3662)

13. The employee has satisfied outstanding advances.

Wayne L. Smith for

Administrative Officer
EOB, Room 4 (Ext. 2500)

14. The employee has satisfied all separation requirements of the Personnel Office.

JRR-11/30/78

James R. Rogers
EOB, Room 6 (Ext. 2260)

Return completed form to:

James R. Rogers
Personnel Officer
EOB, Room 6

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NEW YORK: The Liberals' Vietnam

by Ken Auletta

New York City's fiscal crisis is liberalism's Vietnam. Liberals' traditional firepower—more money, more programs, more taxes, more borrowing—didn't work here, just as more troops, more bombs, more interdiction, more pacification programs didn't work there. And as that miserable war should have instructed military adventurists on the limits of American power, New York's fiscal war, unavoidably, teaches the limits of government intervention.

The domino theory did work in New York. Goaded by liberalism's compassion and ideological commitment to the redistribution of wealth, New York officials helped redistribute much of the tax base and thousands of jobs out of New York.

The city was the victim of federal policies, of historical and migratory patterns beyond its control, of local and state decisions whose origins were political, not ideological, of the breakdown of checks and balances. Democracy failed in New York. But many of its wounds were ideologically self-inflicted. New York was not compelled to create a vast municipal hospital or the City University system, to continue free tuition, institute open enrollment, ignore budget limitations, impose the steepest taxes in the nation, borrow beyond its means, subsidize middle-income housing, continue rigid rent control, reward municipal workers with lush pensions, pay, and fringe benefits, graduate kids who couldn't read, pay too much attention to "issues" and too little to management and the delivery of services. These decisions were not just to win votes—although there certainly was a good deal of that. They sprang as well from a genuine sense of compassion, a desire to help people. That is what the liberal tradition is—and partly what it should be. If "politics" is the melody of the fiscal crisis, liberalism is the chorus.

"New York has been the laboratory for social innovation in this country," observes urban historian Richard Wade, a City University professor. "The welfare state was invented in this state." Led by Governors Al Smith, Franklin Roosevelt, and Herbert Lehman, New York pioneered social legislation to help poor people. Inspired by a New Yorker, FDR, the federal government helped put people back to work and saved the country from the chaos of unfettered capitalism. Long before FDR or the New Deal, we learned a different lesson from the one taught by our skeptical, aristocratic Founding Fathers: government could be a friend, an ally, an agent for social reform. We learned to identify with the underdog. As the West incubated an individualistic frontier spirit, New York incubated social idealism.

Ken Auletta is a New York writer. This article is adapted from his book, The Streets Were Paved With Gold, *to be published by Random House.* *© 1979 by Ken Auletta.*

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Over the last 20 years or so, New York often has thought with its heart. Suffused with a commitment to help people when the federal or state government wouldn't, the city tried to do the job alone. To comfort black and Hispanic immigrants from the South, it offered the most generous welfare benefits in the nation, encouraging more immigration. When private jobs began to disappear, it expanded the public payroll. When labor unions asked for more than the city could afford, they were viewed not as another special interest but as the underdogs of another era. When more revenues were needed to pay for mushrooming costs, the city assumed it was the obligation of the wealthy to pay and hiked business and personal income taxes. When the budget was unbalanced, we obeyed Mayor Wagner's dictum—"I do not propose to permit our fiscal problems to set the limits of our commitments to meet the essential needs of the people of the city"—and borrowed or tricked the budget. Open enrollment at the City University was instituted to achieve a more egalitarian society, with scant attention paid to cost or academic standards.

New York leaders often acted as if the city were a nation unto itself, its walls sealed. Until the courts blocked him, Mayor Wagner, with widespread support, ignored the nation's policies and unilaterally tried to raise the city's minimum wage to $1.50 an hour. Wagner wanted to do what he thought was right, sealing his eyes to the many jobs that would shift to other states with no such laws, just as the Lindsay administration, also with widespread support, didn't believe Wall Street firms would flee to New Jersey when the stock transfer tax was imposed.

Businesses came to be viewed as a source of taxes, not jobs; liberal politics dominated sound economics. Profits were somehow wicked. Unlike many cities and states, New York discouraged tax and other incentives for private enterprise. We worried about rip-offs, the rich soaking the poor, the inequality of wealth. The proposition that the rich should pay more doesn't work unless it's uniform national policy. It isn't. This is a free country; as local and state taxes climbed, people were free to move—or go out of business.

When businesses moved, many liberals charged they were "immoral." Righteousness infused our politics. When the transit fare was raised in 1975, a city hall rally attended by a cross-section of political and labor leaders urged citizens to resist. Who would pay the wages of the transit workers? Who would subsidize the deficit-ridden Transit Authority? It didn't matter. Consequences were less important than speaking out, than taking a "moral" position. In their 1977 mayoral campaign, liberal candidates Bella Abzug and Herman Badillo urged a public takeover of Con Edison, the giant utility. In their book, *The Abuse of Power,* Jack Newfield and

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Paul Dubrul summoned the city to sock Con Ed with higher taxes. Ignored in this tumult of liberal and left posturing is a glaring fact: 23 per cent of each citizen's Con Ed bill is *already* earmarked to pay city and state taxes. This is six times greater than Detroit's tax rate, five times Philadelphia's, four times Los Angeles'.

When landlords urge a fuel bill to pass on increased fuel costs to tenants, City Council members, galvanized by a bleacherful of critics, blast it as a giveaway. Raising rents to cover inflationary costs is also a giveaway. Yes, landlords can be predators. But many liberals try to have it both ways: claiming they believe in private enterprise—yet condemning business profits.

Not only did New York liberalism believe too little in profits, they believed too much in money. "The ultimate problem is money—or rather, the problem of not enough money," intoned John Lindsay's 1969 book, *The City*. And since the absence of money was defined as the cause, it logically followed that more money would be the cure.

Money was free. New York would get it from a "Marshall Plan for cities," from "reordering national priorities," from a new president, from new spending by Washington. It was assumed that the nation's taxpayers would pay more in taxes but city taxpayers wouldn't. Billions for national welfare reform or health insurance would, somehow, be free.

"I used to say, 'Get it from the Defense Department,'" Jean Larkin, an early foe of the Vietnam war and a supporter of businessman Joel Harnett for mayor, told an audience of the reform-oriented Village Independent Democratic Club (VID) in 1977. "I must confess, I've been wrong. There's no way to restore the city to solvency without encouraging the private sector to create jobs." Ms. Larkin, like other liberals, now knew that HEW's budget dwarfed the Defense Department's. She had become a realist.

Battlin' Bella

Bella Abzug had not, as her visit to the VID Club demonstrated. The peeling paint and wall posters of past liberal glories—McGovern For President, Kretchmer For Mayor, Abrams For Attorney General—were an appropriate backdrop for Bella's old-time religion mayoral campaign. She would seek this club's endorsement by spouting the same message she had for years. "The money and the programs are there in Washington," boomed Arnold Weiss, former chairman of the liberal New Democratic Coalition, introducing Bella. "Why Bella? Because Bella's the one person who can break those doors open. . . . Bella Abzug is what we need."

Enter Bella, sliding a cape from her shoulders, adjusting her hat, letting loose on "the issues"—her issues. All this recent right-wing talk about austerity and fiscal responsibility and management and productivity and what the city must do for itself—*these* were not her issues. Although Bella was speaking on Manhattan's West Fourth Street, her mind was in Washington. She lugged a copy of the new city budget—but only to point out those programs she helped navigate through Congress. "Much of what we have to get is from the outside," she declared. ". . . we're gonna have creative managers, we're gonna have manager-managers. But I'm gonna fight for this city. . . . I'm gonna lead a national policy, a national urban coalition."

In a sense, Bella wasn't really running for mayor. Like Lindsay, she was campaigning for something else: a "national urban policy." The unglamorous task of governing more than 60 agencies, policing the expenditure of almost $14 billion, balancing budgets, economic development, fighting for productivity improvements and changes in union work rules . . . boring. What was of

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interest? More programs, more money, the hidden pot of gold in Washington. When Bella complained about the poor education system, she was not wondering what taxpayers get for the $2,600 the Board of Education spent on each child. Instead, she wondered why we didn't spend more. Spending money was assumed to equal the delivery of service.

Bella's belief was central to the liberal faith. "I think it's fair to say," economist John Kenneth Galbraith told a *New York Times* symposium in July 1975, "that no problem associated with New York City could not be solved by providing more money."

This preoccupation with money leads, as the social scientists would put it, to a preoccupation with "inputs" rather than "outputs." *Whether* money is spent becomes more important than *how* it is spent. New York state's liberal Medicaid law was "good" because it promised money and "free medicine," though, as some warned, it led to inflated medical costs and outrageous abuses. "To dismiss policemen, firemen, sanitation workers, park employees, and teachers is not an alternative when the greatest need of a city is for more police protection, more fire protection, better recreation and competent education," Galbraith exhorted *Times* op ed page readers in 1977. The assumption, commonly shared, was that better services come from more money, not better management; by hiring more cops rather than getting those on the force out from behind their desks or inducing sergeants to sacrifice any of their 46 vacation and chart days off. Though labor allies say it represents a return to the sweatshop, the Koch administration did say taxpayers potentially could receive 20 million extra hours of service if all city employees worked a 40-hour week, as most other Americans do. Yet most liberals were silent. Fewer layoffs would have been necessary if all workers volunteered to forgo some of their bloated fringe benefits. Yet most liberals were silent.

Early in the 1976 presidential campaign, Hubert Humphrey, the knight-errant of American liberalism, tore into critics of big government while attending a dinner at the Americana: "Ronald Reagan is setting the rules for this campaign. Less is good. Government is too big. . . . Well, I'll tell you, I'm not about to fall for it." Humphrey was getting into the old rhythm, cranking up the old-time religion, whacking the podium first with his right hand, then with his left. "I am not ashamed to tell you I am a New Dealer," he proclaimed. "I want to warn you, my friends, that when people turn their back on our family, your heritage . . . you will lose, and deservedly so. . . . There are some people today who are running against Washington. They are not positive. . . . The 'less government' theme is just a code word for neglect, a code word for ignoring our cities. . . . Neglect of our cities is a new form of racism."

There was wild cheering. Humphrey's enthusiasm was always infectious, but this time he reached his audience because he reminded them of their faith in money and programs; of their faith in compassion, their desire to right wrongs—immediately. Liberalism's appeal has always rested on a big heart. But liberals' very humanity led to an overheated conscience, to demands for instant solutions. After the blackout rioting and looting of 1977, there were loud demands for the federal government to *do* something. The solution, *Daily News* columnist Pete Hamill briskly declared, was to "ask Congress for immediate authorization to create 200,000 goods-producing jobs to be located in New York. Not make-work jobs, shoveling sidewalks or cutting grass. The army can do that work. But building factories that employ New Yorkers in the creation of material goods that can be sold to other people. The government can do that in partnership with private enterprise." Just like that—presto!—200,000 jobs. In partnership with private enterprise in the sixties, President Johnson

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initiated the National Alliance of Businessmen to attract jobs for the hard-core unemployed. In 1968, their first full year, they created but 100,000 jobs in the entire nation. It's not easy to induce profit-making institutions to make socially desirable decisions. Even when government tax or training subsidies are available, white-dominated business is not adept at dealing with the minority-dominated unemployed.

For stopping the blight of New York's poorest neighborhoods, the liberal answer, again declared with absolute certainty, is more jobs, more housing, more government, more money, more inputs. So when Jimmy Carter visits the South Bronx and offers a money cure, the city leaps to accept, forgetting that the amount of money Carter offered is inadequate to the task, that there are still viable neighborhoods that could better use limited resources.

Such passionate politics leads, inevitably, to a Manichaean view of the world—good guys vs. bad guys, liberals vs. conservatives. Rather than questioning which candidate was the most realistic or what policy would work, we often asked who or what was most liberal? Mayor LaGuardia's truism, "There is no Republican or Democratic way to clean streets," was ignored. Essentially nonideological local questions—how to balance the budget, provide services, retain and attract jobs, educate kids, control crime—were transformed into moral questions.

Wagner, Lindsay, Beame, and Rockefeller got away with their budget and borrowing tricks partly because they were trying to do the "right thing." Candidates who talked about "the *causes* of crime" were good guys, even if they ignored the *effects* of crime. People who talked about balanced budgets were "fiscal conservatives"; those who spoke of incentives for private enterprise worried lest they be labeled "pro-business"; critics of union contracts were dismissed as "anti-labor."

People who take "moral" positions don't like to make unpleasant choices. During periods of growth and expansion, these choices were easier to avoid. Liberals could both do good and feel good, could keep their moral edge. But when public expectations rose and the economy began to decline in the late 1960s, that strength of conscience became a vice. The right moral posture became the wrong governmental position. Those who, loosely, subscribed to the liberal label, refused to recognize that there were now limits to what the city could spend, borrow or tax; limits to providing *more*. In the spring of 1978, the city's labor unions demanded raises, though the city faced a huge four-year deficit and was asking Congress for a federal bailout. Labor leaders and the prevailing wisdom in the city held that it would be "an outrage" if raises were not granted. The emphasis was on the "outrage" rather than whether the city could afford it.

The Risk of Bankruptcy

Rather than accept blame for at least part of what happened to New York, the liberals too often portray the city as a victim of a giant right-wing conspiracy. "Our true sin, in the eyes of Philistine skinflints and neo-conservative ideologues," writes Irving Howe, editor of *Dissent* magazine, "has been the decency—if not sufficient, still impressive—with which New York has treated its poor. . . . The assault on the city is an assault on maintaining, let alone extending, the welfare state. The assault on the welfare state is an assault on the poor, the deprived, the blacks, the Puerto Ricans." No doubt, many conservatives use the New York example as a weapon to bludgeon liberalism—a central thrust of William Simon's book, *A Time for Truth*. But the thrust of my argument is practical, not ideological; not whether New York often tried to do the right thing, but

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whether, alone, it could afford to; and whether it worked.

An ideological view of the fiscal crisis—either from the right, which just blames the left, or from the left, which blames Washington or capitalism—broadens the risk of bankruptcy. In truth, New York will not be able to dig itself out of its hole without additional federal help, particularly restructuring its growing debt burden. More important is what the city must do for itself. If New York accepted the excuse that it was solely a victim of outside forces, there would be little impetus to alter past habits. The city would fail to confront cold reality or make tough choices. If it's not New York's fault, how can it be our responsibility? Therefore, if vast new federal assistance is not forthcoming, if federal loans are not renewed indefinitely, if the banks don't open their vaults—if the city continues to avoid radically restructuring its budget and service delivery system—bankruptcy is almost inevitable. An unelected federal judge will then be empowered to make the budget cuts refused by the city—perhaps choosing to cut social programs for the poor, perhaps deciding that debt obligations to creditors rank ahead of people services.

As long as liberals and many New Yorkers assume that the answer to the $1-billion budget deficit lies in Washington or bank vaults, they will lack the political will to balance their budget, as other local governments must. They will probably lack the ammunition to sell Washington and the rest of the country the need for further assistance. They will lack the drive, and pressure, to reform the management of the governing bureaucracy. They will, like Senator George McGovern, rail against the "undertones of racism" lurking beneath the populist tax revolt, ignoring the public's legitimate anger at government waste.

Ironically, by railing against "racism" and villainous outsiders, those on the left often behave like "conservatives." They come to protect their programs, their traditions, their record; to favor the status quo; to stress what's already been accomplished, rather than what remains to be done. In his book, *The Limits of Legitimacy*, Alan Wolfe suggests, "The attack on government activity has become . . . a not particularly well-disguised attack on democracy itself." By this logic, the two thirds of California voters who supported reduced property taxes in 1978 were not just anti-poor but anti-democratic. Others warn that change must come gradually and not be disruptive. Echoing Robert McNamara a decade before, Mayor Beame declared in late 1977 he saw "light at the end of the tunnel."

Governor Carey and the municipal unions stated similar views about "the progress" made. Symbolizing their status quo approach, most of the municipal unions endorsed Beame's reelection bid. "The Mayor is the only candidate able to maintain a relationship with public employees," said Barry Feinstein, head of Teamsters Local 237 and Treasurer of the Municipal Labor Committee. Teachers' union president Albert Shanker endorsed Beame, declaring he was "best equipped to continue to lead the city out of its fiscal crisis and toward economic and social health."

These former allies of the underdog protested not a peep when the city, as required by a union-promoted state seniority law, laid off a disproportionate number of blacks, Hispanics, and women. The United Federation of Teachers, in 1977, displayed full-page newspaper ads headlined NEW YORK CITY'S PUBLIC SCHOOLS: THE UNTOLD STORY. Taking negativists to task—"nattering nabobs of negativism?"—the union admonished, "But what the public doesn't see or hear is the enormous *success* [emphasis in original] story of the New York City public schools." It's important to the union that parents not think otherwise. God, what if they demanded a better

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education for the $2,600 spent annually per pupil? Or fewer teachers' prep periods, sick days, paid sabbaticals? What if citizens, who pay the freight, demanded performance standards for city employees?

Despite the evidence to the contrary, the left continues to treat most labor unions as if they remain the cutting edge of reform, a beleaguered rather than sometimes privileged class. It was easy to attack George Meany's blatherings about communism or the war in Vietnam, but when it comes to many local issues, people genuinely committed to reform adopt a conservative pose. When mayoral candidate Bella Abzug strayed and tentatively questioned generous municipal pension benefits, Geoffrey Stokes wrote in the *Village Voice* that she was "union-baiting." Ellen Willis, in *Rolling Stone,* described the municipal unions—whose pension funds make them the city's primary bankers—as "powerless." Before union leaders consented to withdraw a few of their fringe benefits in 1975, writer Nat Hentoff condemned Councilman Robert F. Wagner, Jr., as "anti-labor" for suggesting such blasphemy. The same people who favor strengthened consumer protection and oppose monopolies blindly support municipal labor monopolies against growing consumer demands to get what they pay for.

All of this has an Alice-in-Wonderland quality to it. By opposing more local "sacrifices," the chances of bankruptcy grow, as do the odds that the Huns will step in and demand the wrong kinds of cuts or much deeper slashes in worker pay and benefits. If that happens, the nation's foremost liberal city will flash to the rest of the country a message liberals want to avoid: liberalism doesn't work. The liberal compact would break down as growing numbers of New Yorkers join other Americans in viewing not just liberalism, but government, as the enemy.

This may be the real danger—not that liberalism will be discredited but that government will be. Here, labels do matter. For while the old liberal litmus test issues—Vietnam, McCarthyism, domestic spying, unionism, dump LBJ, McGovern vs. Nixon—have receded, what tends to separate those on the left (loosely defined) from those on the right (also loosely defined) is a commitment to use government as an *effective* tool to help people. While many from my post-New Deal generation may reject the liberal label—preferring "progressive"—they would plead guilty to a bias in favor of the less fortunate, an emphasis on what remains to be done, a commitment to seek change; in a word, hope.

As the child of a working-class home, I know that while liberals may be bleeding hearts, at least they bleed. If you've ever covered or attended a national Republican convention, perhaps you know what I'm trying to say. These are the people who tend to agree with neo-conservative cynics like Irving Kristol, who urges what he calls "benign neglect" for cities: "The cities are bottoming out. Leave them alone and they'll recover." That is the voice of a comfortable man. Similar voices opposed advances in civil rights and women's rights, the antiwar struggle, tax reform, antitrust, consumerism. The status quo. "All great discoveries," C. H. Parkhurst once said, "are made by men whose feelings ran ahead of their thinking."

The challenge to progressives—both nationally and locally—is to think a little more clearly; to learn from, rather than embrace, past mistakes. The Depression taught Americans the limitations of unfettered free enterprise and the more important role government could play in solving social problems. The New York crisis teaches the limitations of what government can do.

Perhaps New York's experience will finally rob liberalism of its innocence. As was true for America in Vietnam, in New York liberalism has been identified with the wrong side. ■

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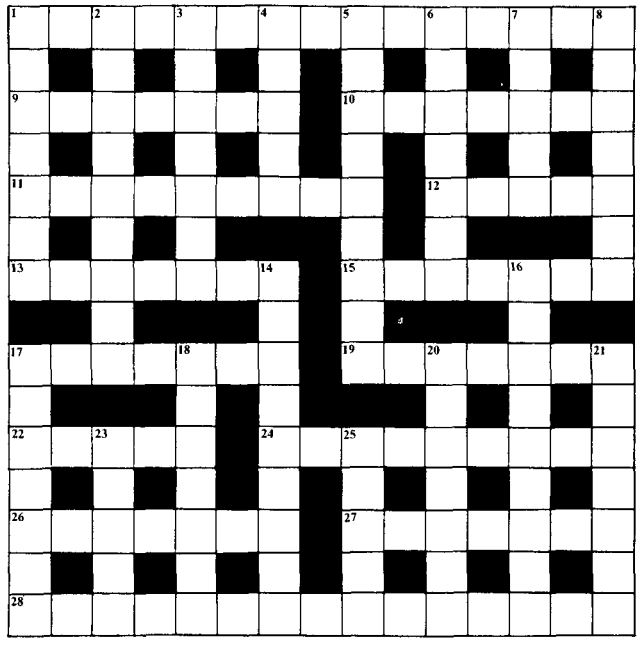
the political puzzle

by John Barclay



ACROSS

1. Premature award of the year 1978? (5,5,5)
9. Las Vegas Noel for wild men. (7)
10. Trauma note displayed for dilettante. (7)
11. Two airs and a nut from a fictional land. (9)
12. Use Northeastern pattern to follow. (5)
13. Record and list used by lumberjack in Washington? (7)
15. Overly speedy or unable to move? (3,4)
17. **(& 8. down)** Letters are sent two ways for serious Oriental. (7)
19. He gave aspirin again or reeds chopped up. (7)
22. Honoree set back in want-ad assignment. (5)
25. Bureau to control dad's rants. (9)
26. Iona ace covers a lot of territory. (7)
27. Urea oil concocted for him. (7)
28. Whence settlers must come for a settlement. (4,3,4,4)

DOWN

1. Feature short rights in the middle of lion rising. (7)
2. Gave beers around for drinks. (9)
3. "A _____ guide, a rod
   To check the erring, and reprove."
   Wordsworth, *Ode to Duty*. (7)
4. Two letters enough for whole German town? (5)
5. One letter from current in basic document? (9)
6. Coded cable in the post office may soothe. (7)
7. News stories for the *Times*. (5)
8. See 17 Across.
14. Dean claps wildly for the view. (9)
16. One last aura appears down under. (9)
17. How lazy trustee can earn his trust? (4,3)
18. Something lost incorporated in edited text. (7)
20. Author fixed up Old Testament. (7)
21. Set around in stone to supply. (7)
23. Because of joint song, nothing follows. (3,2)
25. What lies ahead for sleeper, lies behind for others. (5)

The numbers indicate the number of letters and words, e.g., (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word. Answers to last month's puzzle are on page 62.

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Roxie Munro

Where to Stay in Washington

SOUTHWEST

Southwest Washington, the area bordered by South Capitol Street, Independence Avenue, and the Potomac River, is where our money's made—at the Bureau of Printing and Engraving—and spent—by the Departments of Agriculture, Energy, Health, Education, and Welfare, Housing and Urban Development, and Transportation, the Comptroller of the Currency, the Environmental Protection Agency, Federal Aviation Administration, National Aeronautics and Space Administration, and Postal Service. Just across Independence Avenue along the Mall are the Smithsonian's Arts and Industries and Air and Space Museums and the Freer and Hirshhorn Galleries.

Channel Inn, 650 Water St., S.W., 554-2400. To get a taste of what used to be Southwest D.C.'s leading industry before government took over—fish and boats—the Channel Inn is the place to stay. It's a small hotel (100 rooms) right on the Potomac channel with a marina in the backyard and a deck where you can sit and enjoy the view. In addition to yacht-watching, play-goers can take advantage of the Arena Stage, a block away. Among its other neighbors are some of the more popular waterside restaurants and the outdoor floating fish market; with fresh fish and crabs that are brought in every morning from the Chesapeake Bay. There's a swimming pool that doesn't quite live up to its name, the Engine Room for drinks, Pier 7 for lunch and dinner (see below), and breakfast for guests in a small cafeteria. The rooms aren't plush, but they are comfortable and all have balconies, about half overlooking the water. Singles, $44. Doubles, $52. Two suites, $80 each. A party room and two small party/meeting rooms are available. Additional persons in rooms, $4 each. Children under 12 and parking are free.

Loew's L'Enfant Plaza, 480 L'Enfant Plaza East, S.W., 484-1000. Loew's is the largest, most luxurious, most conveniently located, and most expensive of the three Southwest hotels. It's within walking distance of nearly all the government agencies listed above, just across the street from the Mall, the museums, and galleries, and directly below the hotel is a 70-shop mall and a Metro stop, where you can catch the subway for speedy access to other attractions in town. In the hotel there are three restaurants and a lounge (see below), and a spacious terrace and a pool. The attractively furnished rooms all have refrigerators and bars, and many of those on the top floors of the 15-story building have marvelous views. The "Club 480" rooms have some extras: terry-cloth robes, electric shoe buffer, telephone in the bathroom, playing cards, et al. One thing to be aware of, however, is that this is also a meeting/convention hotel—there are 10 rooms for meetings or parties and a ballroom that holds 850—which may be responsible for the somewhat frenetic atmosphere. Singles, $49-$77. Doubles, $61-$89. Suites, $140-$325. Club 480, $95,

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single or double. Add $12 for each additional person in room and $4 if you bring a car. Children under 14 free. Some very attractive weekend and holiday packages available.

Skyline Inn, South Capitol and I Sts., S.W., 488-7500. (800) 528-1234. This is a comfortable hotel with very reasonable prices. It's also the most convenient if you have business with HEW or at one of the House office buildings. But otherwise the location leaves something to be desired—it's on the edge of a run-down neighborhood and at the merger point of the Southwest Freeway and a busy commuter street. In the hotel, however, are a pleasant terrace with swimming pool, the Board N' Bottle restaurant—reasonable prices, good homemade bread and pastries—a coffee shop, a gift shop, and, for frivolous moments, pin-ball machines. Singles, $38. Doubles, $44. $2 discount for government employees. Meeting rooms (with fold-down beds, to use or not), $50. Cots in rooms, $6 each, children under 14 and parking free.

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Restaurants

When it comes to restaurants, Southwest is the place for fish—fish served in the hearty American style: heaping fried fish platters, stuffed Maryland crabs, and broiled bluefish. Two of the old-timers, although now in spiffed-up "new Southwest" clothing, are **Hogate's**, 9th and Maine Ave., and the **Flagship**, 600 Water St., both moderately priced and good choices for family dinners. Higher up the ladder in elegance as well as price is the **Gangplank**. Its main attraction is that it floats, so just go there for a drink and the view, then walk over to **Pier 7** at 750 Water St., which serves good, moderately expensive seafood as well as meat entrees. The **Market Inn**, 200 E St., is another old-timer, with a loyal clientele and a large, moderately expensive menu with, of course, an emphasis on fish.

Along the Mall and Independence Avenue, where most of the agencies and the museums and galleries are located, the nearest restaurants are in the L'Enfant Plaza Hotel. The **Apple of Eve**, serving lunch and dinner, is the more elegant and expensive. In the restaurant's lounge after 9 p.m. disco dancing takes over. The **Greenhouse**, whose decor lives up to its name, is open for lunch and breakfast. In the **Quorum Lounge** at lunchtime, you can have a drink and meal as well, ensconced in a comfortable easy chair.

If you find yourself on the waterfront but really don't feel fishy, there are alternatives. One is **Casa Maria**, 700 Water St., which has been getting better reviews for its Mexican decor than for its Mexican food and its prices. Or if you've a big appetite and a craving for a thick slab of roast beef with Yorkshire pudding, try the **Barley Mow**, right next door to Casa Maria, which specializes in hearty, British-style food. And considering the size of the helpings, it's not terribly expensive.

—Carol Trueblood

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How to Steal Government Secrets

by Milt Spex

Last year wasn't a very good one for keeping U.S. government secrets. In May two men were convicted in Alexandria, Virginia of stealing classified cables and funneling them to North Vietnamese agents. In June it was announced that the U.S. embassy in Moscow had uncovered a secret tunnel within the embassy compound that had been used by the Russians for electronic eavesdropping. In January children in North Carolina were found using, as scratch paper, classified documents relating to U.S. actions in Vietnam. The documents had come from the car of former Ambassador Graham Martin, which had been stolen a few months earlier and abandoned. Martin, it turned out, had been driving around for months with boxes of secret papers in his trunk. Late in the year, William Kampiles, a former watchman at CIA headquarters, was convicted of passing to Russian agents a technical manual for the KH-11 spy satellite, the most sophisticated and secret military surveillance satellite operated by the U.S. Throughout the year rumors circulated that the Russians had successfully introduced an agent, or "mole," into the CIA itself. The unconvincing denials of U.S. officials only heightened the speculation.

After decades of watching our nation's military and intelligence institutions arrogantly pursue bizarre, misguided, and offensive projects, we may be tempted to laugh at these recent failures to perform the mundane chore of keeping secrets. We shouldn't. A glance at the Kampiles case alone should tell us that. Some intelligence officials called the theft of the satellite manual a "disaster," saying it had caused "irreparable harm" to U.S. interests. Others were more reassuring, belittling the value of the documents. But look at what is known: the manual described the features of our best present means of verifying the size of Russia's nuclear arsenal. (The satellite's cameras are so sensitive that they can tell the difference between civilian dress and military uniforms.) By telling the Russians our precise capabilities, the manual presumably also told them what they needed to do to avoid those capabilities. If they weren't sure how deep they had to bury their missiles, they are now. Is this data that any American, whatever his position on disarmament, would want to see in Soviet hands on the eve of a SALT II agreement?

To those outside the U.S. military security system, the Kampiles fiasco seems inexplicable. After all, we've developed what is probably the world's most complex and elaborate scheme for protecting secrets. The problem, as liberals see it, has always been preventing this system from running amok and keeping ever increasing amounts of harmless but useful information locked up until well into the twenty-first century. That this system would fail to protect one of the few secrets that actually was vital to the national security seems absurd.

That failure doesn't seem absurd within the security community itself—a community of which I, as a defense contractor, am a member in good standing. (I plan to remain so, which is

Milt Spex is a pseudonym.

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why I'm writing this under a pseudonym.) Those of us on the inside tend to know from experience that the very complexity and arrogance of the system are what make it vulnerable to penetration by our enemies. And those enemies *are* out there—if not the 1,900 Russian agents that FBI Director William Webster, in a recent speech, estimated were operating in the U.S., then a sizable fraction of that number. They can do a lot of damage. And that is why it's important to understand what anyone who has worked with secrets has figured out: how a system that spends billions of taxpayer dollars, consumes the energies of thousands of loyal Americans, and uses the ultimate in sophisticated gadgetry, is also a system that makes it easy for an untrained security guard to score the intelligence coup of the decade—for the other side.

Why I Saved the Day

I first entered the world of secrets in 1952, as a green ensign reporting for duty aboard a destroyer. I had barely unpacked my seabag when an officer assigned me the job of operating the cryptographic machine that codes messages for radio broadcast and decodes incoming traffic. He taught me the combination that unlocked the code room and admonished me to memorize it immediately and never write it anywhere. Next he taught me to operate the machine, a bulky contrivance with a typewriter keyboard. My new assignment violated security regulations because I was not yet cleared for "secret." But due to the unpopularity of the job, regulations were ignored and the most junior officers were given the assignment.

Two days later, I heard a voice from an upper deck exclaim, "The radar's on fire!" A crowd gathered around, and I saw smoke pouring from a vent above the radar console. It didn't take long to realize that the fire was coming from the adjoining code room where the vent led. The skipper arrived and told the officers nearest the door to open it, but they could not. They had forgotten the combination. In fact, each of them probably had it written on a scrap of paper in his billfold, but no one was particularly eager to incriminate himself by looking into his wallet while the captain stood watching.

"Let me through," I called from the back of the crowd. "I can open it." In half a minute I opened the door and found the burn bag smoldering. This is a bag of classified waste paper that is burned intentionally in a suitable place whenever it is full. This time, however, it was burning prematurely because someone had tossed a cigarette butt into it.

Fortunate timing made me the hero of that little emergency. Had it occurred a year or two later, I probably would have had the combination written in my wallet and would have looked as foolish as the other officers.

In the 27 years since the burn bag incident, I've learned a lot about security and classified information. Mainly, I've learned that working with classified material is a bloody nuisance. You cannot take work home or read reports on an airplane. Notes and working papers are supposed to be destroyed after a contract expires. Worst of all, you cannot discuss classified topics on a telephone unless it is equipped with a "vocoder" (This device electronically chops voices into pieces and encodes each piece by techniques of cryptography.) Since it is unwise to carry classified material when traveling, you must try to plan ahead and forward it by mail, hoping it arrives on time. If you visit a government facility or contractor, you obtain a temporary clearance, which may last for a day or for a year. On your first visit, the odds are that the security clerk won't be able to find your clearance. The ensuing confusion delays you an hour or two. Next time your admission is routine, but eventually the clearance expires when you least expect it, the one time you take it for granted.

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Those who work constantly with classified material have ways to mitigate the nuisance factor. They have offices or laboratories with special locks. Some of these rooms are inside steel vaults, so these people can lock their doors and leave classified papers and hardware strewn about while they go to lunch or the rest room. We part-time users are less fortunate. We repeatedly have to pack up and lock up, or else find a "sitter" with the proper clearance. A few times I have had to work after hours without access to a safe that I was authorized to use. On these occasions, I had to arrange a rendezvous with a security officer whose plans for the evening or weekend rarely meshed with mine.

And so it goes. Each harrassment is minor, but the long term effect is demoralizing. I, and most people I know in the system, would be able to accept it all philosophically if we felt it contributed to national security. But often it does not.

Keep It from Jim

We contractors prefer unclassified work so we can talk freely and drum up new business. However, the government establishes classifications and we are forced to comply. One government client had me classify a report "so that Jim won't hear about it." That's right—Jim, not Ivan. He wanted to use the security system to shield himself against someone who might compete with him or criticize his performance.

Although that was the only time a civil servant ever confessed to me that he was using security for an ulterior motive, nevertheless I am convinced it happens all the time. One particularly inept official I knew had a pathological fear of distributing reports and always specified the highest classification he could possibly justify. He even classified as secret mathematical reports that made no reference to military applications.

Conscientious government people deplore excessive classification. Competent employees want their work exposed so they can establish a reputation and hear helpful criticism. Those who are prone to overclassification are those who are insecure and afraid of exposure. Sometimes they try to build their own little empires in secret. A classic case was the Navy's attempt to build the world's largest (600-foot) radio telescope. The Defense Department aborted the project in 1962—$63 million later—after the Bureau of Yards and Docks had mismanaged it, by using secrecy to exclude the scientists and structural engineers who could have either pointed out its flaws early on or saved it.

Such projects make me wonder whether security is worth the cost in terms of the incompetence it shelters. Although gross incompetence is rare, it does gravitate into the least visible niches, and the security system provides a lot of those.

Tribal Bonding

The following dialogue occurs frequently in the security subculture with only slight variation:

"Are you cleared for secret?"

"Yes, certainly."

"Good, then let me tell you about. . . ."

On the surface, this interchange doesn't make sense. Suppose the second party really were a spy. What would he say in response to the initial question—"No, I'm not cleared. Don't talk to me"? But wait. The dialogue doesn't make sense only if you assume that the enemy is a foreign agent, and the game is to deny him information. Suppose the speakers share a professional bond; they are both, say, in military electronics. And suppose their common enemy is not a spy but the security official whose job it is to catch them breaking petty rules. Now the dialogue takes on a whole new meaning, which, when translated, comes out like this:

"I haven't seen your clearance, but I

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know you're okay. You won't report me if I tell you something secret, will you?"

"Of course not, go ahead."

"Good, then let me tell you about. . . ."

The hidden meaning of such conversations reflects the tribal structure of the security subculture. Subconsciously, two members of the same tribe (or allied tribes) have communicated to affirm their mutual bond to the exclusion of security officials, who belong to a different tribe. This split between the "users" of classified materials and the "caretakers" of those materials is the organizing principle of the kinship structure. The "users" comprise several loosely allied tribes: military officers, contractors, civilian engineers, scientists working for military labs, government officials who control research funds, and so on. The "caretakers" are a distinct, and often hostile, tribe made up of those who guard secure areas, look for security violations, inspect files and safes, handle visitor clearances, and keep records of documents issued and returned. Other caretakers are officials who grant clearances to users. They interview the applicant's neighbors and generally nose around in users' pasts.

Caretakers can make trouble for users, and as a result a mutual distrust grows out of their contrasting attitudes towards rules and regulations. The caretakers see the rules as gospel, the whole basis for their jobs. The users see rules as a necessary nuisance that impedes their work. Relations across the tribal boundary are cordial but cool. Communications are brief, formal, and lacking that extra quality of straight scoop that people share within their own tribe.

When a user is first indoctrinated, the image of a Russian spy is firmly planted in his mind. He may be in awe of official secrets (much as I was on that ship 27 years ago), and he tries to protect them diligently. But as the years pass, the image of the spy seems ever more remote, a sleeping bear out of sight and almost out of mind. Meanwhile, another threatening image comes to take its place: the image of the caretaker tribe. This threat has a far more immediate reality; it is reinforced every working day.

Let's follow this subtle psychological metamorphosis as it occurs in the career of Tom, a fictitious young engineer. Tom is not an extreme example by any means, but rather a composite of the ways I've seen people change as they spend more time in the security subculture.

Tom starts out as a loyal and trustworthy kid who graduates from college and goes to work on a classified project at an aerospace firm. His background is spotless. The security

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officer briefs him on his reponsibilities, and Tom resolves to obey them to the letter. He is what people in the business call an "Eagle Scout."

Tom's first assignment is to attend a military conference to learn about a new weapons system; the information is vital to Tom's project. The conference is classified "secret," a fact the organizer stresses in his opening address: "You don't need to take many notes. The proceedings will be printed and mailed to all of you in about a month. If you do take notes, you are not permitted to leave the building with them. Write your name and address clearly on the notes and turn them in at the security desk. We'll mail them to you after the conference."

That sounds sensible enough, and Tom complies. But two weeks after the conference has ended, Tom still hasn't received his notes. A couple of phone calls shake them loose, but another week slips by before they arrive. Getting the proceedings is another matter—after two months, they still haven't arrived. It seems that two of the speakers are late in turning in their written contributions. By now, Tom badly needs the information; he is falling behind schedule. He telephones one of the speakers, who is away on a trip. Next Monday Tom reaches him and words a question indirectly so that it doesn't divulge classified information:

"You know that talk you gave at the conference in Washington last April?"

"Sure."

"The aircraft is towing a device we can't discuss now. Could you tell me its maximum speed while towing?"

"Sure, but I'll have to look you up on the attendance list and call you back. Okay?"

Tom recovers information at a snail's pace. After three months the proceedings finally arrive, but Tom by now is very far behind in his work, and his boss is irritated. Tom resolves that the next time he will take contraband notes, coded, of course, in some kind of shorthand that will baffle any spy, or caretaker.

On a later business trip, Tom's route crosses that of his group leader. "Hey, Tom," the leader says, "Why don't you bring along the interim report for ARPA? We'll have some free time to discuss it in Pittsburgh."

"We can't do that. It's classified and we don't have any place in town to lock it up."

"Yeah, I guess you're right." The leader does not press the matter. He knows it takes a year or two for an Eagle Scout to mature.

A couple of years pass with only minor irritations, and the security system seems almost workable. Then Tom goes to Washington for a presentation to his government client. Other contractors, competitors, present their progress in the same meeting. Tom has forwarded some secret visual aids to the Washington office—diagrams and photographs of the equipment his team has built. But the mail is late, and Tom is forced to improvise with sketches on the chalk board. This looks cheap compared to the beautiful materials the competitors have. Then Tom notices something: two contractors present secret data on slides that are not marked "secret." Nobody seems to notice or care. The security officer at the meeting (a caretaker) has no technical background and does not know which data is secret. The government engineers (users) know, but they have no interest in such details. Could it be that these two contractors carried unmarked secret slides in a briefcase on the airplane? Tom will never know for sure.

Six months later, Tom's group finishes a long project. More work is needed, but the contract expires, and funds for renewal are lost in a budget cut. A year-and-a-half later, supporters of the project find some money, and Tom's group is back in business. But now comes the final hard knock in Tom's security schooling. During the lapse a new security officer destroyed all the classified reports, notes, and working papers. The rules allow contractors to keep classified material

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long after a project expires, but arrangements must be made ahead of time. The new officer had inquired before destruction, but somehow he asked the wrong people, who misunderstood the questions, and Tom was never consulted. Tom obtains copies of the main reports from the government, but the delay and loss of notes makes an inauspicious beginning.

Today Tom is a group leader with what might be called a "mature" attitude toward security. His files contain many unmarked contraband copies of classified reports. The file cabinets are locked, but the key is in a potted plant nearby. Of course Tom still has a conscience. In one of the more sensitive reports, all the numbers are reversed; for example, what should be "47.3" watts" reads "3.74 watts." Tom has removed the most important figures and tables from another report and put them in a file drawer labeled "personal" in a folder marked "health insurance." He rationalizes that this is sufficient precaution, because these few pages don't make sense apart from the rest. Tom has also removed classified numbers from another report and written them on an IBM card, which he stores at the end of a computer program in the file for computer cards.

During Tom's metamorphosis the very meaning of the word "classified" has changed. It once referred to important protected information. Now it refers to the stamp on the document or sheet of paper, which means that caretakers will be looking for it.

How to Steal Secrets

If you were a foreign spy, and you wanted to steal secrets, how would you go about it? Would you make a full frontal attack on the security room using exotic James Bondian devices to get around the myriad burglar alarms, locked doors, safes, and secret codes? Not at all. You would make the most of the human element in the system, use its institutional weaknesses, play off the tribes against each other. You might get a low-level job in a government building, and start looking for people like Tom, who have come to consider security rules as impediments to getting their work done. These people don't wear name tags, but they are there—somewhere, and can be identified by their attitudes and work habits.

Once you've found Tom, you would look, perhaps, for the combination to his safe. You'd look in his address book, under some name like Kilroy, or in the back of his desk calendar, perhaps on the page for Christmas Day. Check the covers of his old textbooks, too. If you find a combination that doesn't work, you might reverse the numbers or the digits within the numbers.

Rush projects, in particular, would afford some prime opportunities for espionage. When a group is hurrying to finish a classified report before a contractual deadline, you will likely find classified reports stacked on desk tops or shelves, in briefcases, wastebaskets, or places with simple locks that can easily be picked. You should be alert for missing pages and pieces that Tom has cut out and stored elsewhere. These are the little gimmicks that salve his conscience, but they also help you to recognize the most sensitive information. Look especially for photocopies with a faint rectangular trace at the top and bottom of each page. This shows where a white card covered the classification stamp when it was copied. And if you have a good cover story when you snoop, you needn't worry too much about getting caught. Just keep cool, and remember everybody wants to believe you're a nice guy doing a conscientious job.

In time, it wouldn't be too difficult to do what William Kampiles did—find a highly sensitive document in an unprotected storage drawer, stuff it in the inside pocket of your sportscoat, and walk out the door at the end of the day. Given the prevailing culture of our security system, the amazing thing isn't that Kampiles could do what he did,

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but that so few others have done it. The anomaly only disappears when you realize that maybe others *have* done it—only, unlike Kampiles, they weren't so foolish as to get caught.

The Weakest Link

What can be done to change the security system and prevent these disasters? As I've tried to suggest, the answer is not tighter rules or fancier equipment. The weak link in the security chain is the institutional component of the system. And extra procedures, or more inspections, would only increase the tribal frictions, and the sloppiness and cynicism that excessive regulation calls forth. Ironically, the biggest reform the government could make, in the name of national security, is to do precisely what liberals have been asking for years, in the name of openness in government—to drastically reduce the incentives to conceal unimportant and marginally sensitive material. President Carter has properly decided to accelerate the process of destroying or "declassifying" documents—but this isn't nearly enough. More documents flood into the security system each day, and all too many of them do so only because some official wants to enhance his status, avoid criticism, or simply because nobody bothers to question him. The penalties for overclassification should be stiff; firing does not seem too severe (and indeed, one or two dismissals might set an appropriate example).

The result might be a security system whose members have a renewed faith that the secrets they are protecting really are secrets. That might encourage us to follow the rules without cutting our accustomed corners, and help us realize that both the users and the caretakers are on the same team, that the enemy really is that potential spy. It might even encourage a few of us to do something that is now an egregious breach of etiquette among users of secrets—namely, speak up when someone else is violating the rules, or has become careless.

I also have a pet proposal which goes a little further. It would strengthen existing safeguards without adding a single new regulation—and it would allow us to eliminate some needless rules and harrassments. The key is that a security system, as Nixon's plumbers realized, is similar to a water distribution system. In both the object is to prevent leaks. To check for leaks in the water system, we pressurize it and look to see where the water comes out. But we *have never tested our security* system under pressure. Hence, we don't know where it leaks. The answer might be to test it—randomly, with our own forces. So I dream of the day when the government issues the following communique to the security bureaucracy:

"You must prevent unauthorized disclosure of classified information in your possession. Use your own methods, if you want. We have hired a group of inspectors who will attempt to obtain this information by all non-violent means, including trickery, persuasion, bribery, and theft. Should they succeed at your organization, the person at fault will be punished—by revocation of his security clearance if he is negligent, by criminal prosecution if he knowingly assists in espionage."

Postal inspectors for years have used a similar system to keep their employees honest—and as a result, any mailman who sees an envelope stuffed with dollars immediately warns himself that he's being set up by an inspector. If the threat of theft by the Russkis is too remote, maybe we need to create a threat that's more believable. If we have to play the security game, we should keep ourselves in shape. The alternative is a system where Russian agents are free to use imagination, incentives, and individual enterprise, while all our side has going for it is social conscience and official doctrine. ■

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Who's Who in the Carter Administration

The **Jimmy Carter** who calls foot faults on his tennis opponents, who says he never suffers from jet lag, and who tells you that he ranks first in the speed-reading class conducted at the White House, treats his wife exactly as President Painter treats his in Patrick Anderson's new novel, *First Family*. Carter's attitude toward women has to be one of his less appealing qualities. Take the cases of **Bella Abzug, Juanita Kreps, Patricia Harris,** and **Midge Costanza,** all of whom he hired for important jobs. For none of them did Carter have a combination of affection and respect.... **Carin Ann Clauss,** the solicitor of the Department of Labor, asked Carter to withdraw her nomination as a federal district judge because of criticism from the bar about her lack of trial experience. She's a good bureaucrat—supervising over 500 attorneys—from all we hear. But we also think she was right in withdrawing her name. Her entire trial experience consisted of one case, which again brings up the bewildering issue of Carter and his female appointments. There were plenty of qualified women around who had more trial experience than Clauss.... **Hodding Carter III** and **Patricia Derian,** respectively assistant secretary for public affairs and assistant secretary for human rights at the State Department, have gotten married, becoming the newest addition to the ranks of six-figure federal couples. They just make it at an even $100,000.... Of course the real story isn't the emergence of the "$100,000 couple." It's the rise of the $95,000 couple, in which each partner brings home the $47,500 that thousands of civil servants now earn.... Remember our article last month on Israel's acquisition of nuclear materials? The mastermind of the coverup of that story was one **Harvey E. Lyon,** director of the energy department of Safeguards Security. He has now resigned. But his original appointment remains another tribute to personnel genius of **James Schlesinger.**

In

AGRICULTURE

Deputy Secretary—**James H. Williams,** who was lieutenant governor of Florida, is expected to take the post left vacant by John C. White's departure to head the Democratic National Committee.

ENERGY

Deputy Assistant Secretary for International Programs—**Holsey G. Handyside** was on the State Department's policy planning staff.

HEW

Deputy General Counsel—**Peter Hamilton,** who has been general counsel of the Air Force, was with Secretary Joseph Califano's law firm.

Deputy Executive Secretary—**Clifford D. Stromberg** was with the Washington law firm of Arnold and Porter.

AGENCIES AND COMMISSIONS

National Railroad Passenger Corporation
Member of the Board—**S. Lee Kling** has been assistant special counselor to the President on inflation.

Office of Personnel Management
Director—**Alan K. Campbell** has been chairman of the Civil Service Commission, which is being superseded by this agency.

Deputy Director—**Jule M. Sugarman** was vice chairman of the Commission.

Chairman, Merit Systems Protection Board—**Ruth T. Prokop** has been general counsel of HUD.

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Special Counsel—**H. Patrick Swygert** has been Commission general counsel.

Vice Chairman, Merit Systems Protection Board—**Ersa Poston** was a member of the Commission.

Tennessee Valley Authority
General Manager—**Leon E. Ring**, corporate vice president of ARO, Inc., a defense contractor, has been named to this agency's top post.

Out

White House
Special Assistant to the President—**Joseph W. Aragon** will be leaving to return to the family business in California. He is the fifth top aide to leave by the midpoint of Carter's term.

Defense
Supreme Commander of the North Atlantic Treaty Organization Forces—**General Alexander Haig** has announced that he will resign on June 3.

Energy
Assistant Secretary for Technology—**Robert Thorne** resigned abruptly at the request of Secretary James Schlesinger. **John Deutch**, research director, has taken over the post on an acting basis. Thorne's departure is seen as part of the shake-up initiated by the White House to regain control of the sub-cabinet.

Special Assistant to the Secretary—**Roger Colloff** is leaving to rejoin CBS News.

Labor
Assistant Secretary for Labor-Management Relations—**Francis X. Burkhardt** is a former painters' union official. He was not, as reported elsewhere, fired against the wishes of Labor Secretary Ray Marshall.

ACTION
Director for Africa, Peace Corps—**Dr. William E. Gaymon**, an appointee of ousted Peace Corps Director Carolyn Payton, resigned at the request of ACTION Director Sam Brown.

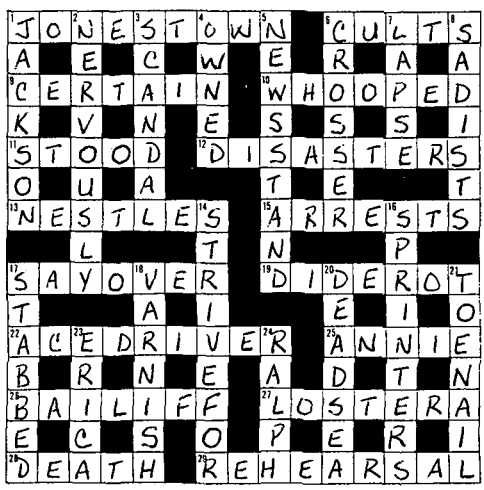
Arms Control and Disarmament Agency
Member, Advisory Committee—**Lane Kirkland**, secretary-treasurer of the AFL-CIO, has resigned as part of the continuing conflict between Carter and the AFL-CIO.

Civil Service Commission
Director, Public Affairs Office—**Joseph E. Oglesby** is retiring.

CORRECTION

Last month, we incorrectly reported that W. Bowman Cutter was no longer executive associate director for budget at the Office of Management and Budget. He has not left that position.

Answers to last month's puzzle:



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weapon, but a weapon that did the job when it was needed.

We should certainly not leave the decision about weapons to the admirals and generals, whose record on these matters is bad beyond belief. They were against the aircraft carrier when it was the weapon of the future. They're for it now, when it's the weapon of the past.

Less Representation, More Democracy

Unfortunately, we have grown accustomed to leaving problems like choosing military hardware, or choosing social security plans, to the experts. Our system of "representative democracy" has swung very far toward representation, and away from democracy, in our generation. For most people, modern "democracy" amounts to an up-or-down choice every four years between two presidential candidates who sound very much the same, with the decision based on which one seems the lesser evil. Between the elections, as the major issues are actually resolved, "informed consent" has been reduced to the crude speculations of opinion polling. Even congressmen, with their ever more frequent citations to Edmund Burke, have done their bit to legitimate the idea that people should choose an expert class to do their thinking for them, and not trouble themselves about the issues after they leave the polls. And, except when we are protecting our particular interests, most of us don't—whether we are doctors, dockworkers, or voters for Proposition 13.

True democracy doesn't mean that all the people must be absorbed all the time by public affairs. It does mean enlisting the judgment, understanding, and common sense of the public on the issues that affect the nation rather than leaving those choices to vaguely accountable legislators, and the technicians they employ.

As a first step toward this kind of democracy, the schools must do a better job of preparing us for the choices we have to make. The sterile civics courses so many of us remember prepare students for a system of government that will exclude them; all the issues sound boring, and even ninth grade students can sense that the antiseptic flow charts do not reflect the reality of "How a Bill Becomes a Law." We need to help students understand that reality. Along with the return to the basics of reading and writing, there must be a return to the fundamentals of how our nation is governed. Students needn't be told what kind of health care system is best—but they should understand the full consequences of our present approach, and of the five or six possible alternatives. They should be helped to see how costs add up in our various programs of income support. And they should be prepared to deal with problems we haven't even heard of yet. There are courses doing exactly these things—but they are only offered at places like the Harvard Business School or the various academies of public management. The training they give the technocrats is valuable, but there is nothing in them that is fundamentally beyond the understanding of students in every American school.

We can't all be experts, and we should be thankful for that. Experts tend to be specialists—their very knowledge and position distorts their interests, and their vision. This is no less true of those who specialize in ruling. The non-expert, the ordinary citizen, has a perspective which the expert can never attain. Unless we are prepared, and motivated, to give the experts our advice and consent, we can be sure that their choices will continue to be wrong. ■

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The Merger Mania

by Tom Redburn

The Setup

Last May, Frank Lorenzo, the president of Texas International Airlines, happened to run into William E. Seawell, chairman of Pan American World Airways, on (where else?) an airplane trip. The two men couldn't be more different in character, but as fellow airline bosses they started talking. Not much is known about what was said, but during the conversation Lorenzo proposed the possibility of a merger. Seawell apparently didn't take the idea very seriously, perhaps because Pan Am is about 15 times bigger than TI.

Lorenzo wasn't too serious about the idea, either. He had something else in mind—something in which Pan Am would end up playing a crucial role.

The Play

In June TI announced it had purchased nine per cent of the stock of another airline, Miami-based National Airlines, and a few days later said it wanted, with permission from the Civil Aeronautics Board, to acquire control. Over the summer, despite opposition from National's suddenly aroused management, TI continued to buy stock at market prices, increasing its holdings by the beginning of September to about 20 per cent. Its investment in National was then more than $48 million, and L.B. Maytag, National's chairman, was running scared.

National, despite its racy "Fly Me" ad image, is one of the stuffiest airlines in the business. In Wall Street terminology, it was a "sleeping beauty"—ripe for takeover because its depressed stock price (due to poor earnings) fell far below the value of its lucrative assets, an almost debt-free aircraft fleet. To National, TI was the "black knight"—an unfriendly company on the attack. What's worse, TI was an upstart regional carrier only about one fifth the size of its intended target.

The Sting

There aren't many defenses to an unfriendly takeover bid. In many cases the only way to repel a black knight is to seek the protection of a white knight, who will rescue you from the enemy by arranging a friendly merger.

This is what Lorenzo was waiting for. In late August, intrigued by the battle for National, Pan Am decided to offer to buy all of National's stock for $35 a share. Later the bid was upped to $41, which induced National's board to accept.

The Payoff

The three-way battle—further complicated recently when Eastern Airlines made an even higher offer for National in an effort to wreck Pan Am's plans—still must be ruled upon by the CAB. It's likely, though, that the federal agency will not interfere.

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In that case, Lorenzo can't lose. If TI can somehow raise enough money to buy National, overnight the airline will grow to five times its own size. If, as seems more likely, Pan Am's bid is accepted by the shareholders, TI's holdings will be worth far more than what it paid for them. Lorenzo stands to make a profit of about $24 million.

Cheaper to Buy Than Build

Mergers and acquisitions are sweeping American business. There aren't many other ways to make a 50-percent or more profit in a few months or to obtain hundreds of millions of dollars worth in assets overnight. Build a new plant? That takes so long. Expand operations? Too risky and inflation eats up your gains. "It's cheaper," says a Wall Street lawyer, "to buy a plant than to build it."

That's true enough, but while hundreds of business executives are plotting their roles as Newman and Redford in their next merger movie, the rest of us have reason to worry. Not, however, for the reasons you normally hear.

According to most government officials, the great danger is economic concentration. "There's no question that if you feel the pulse of the people," John Shenefield, assistant attorney general for antitrust told *The Wall Street Journal*, "there's a predominant sense that big business is getting too big."

If mergers continue to proliferate, says Shenefield, "there will be, over a period of time, a collection of economic power in a few decision points, and that's a bad thing."

Such a trend may well be a "bad thing," but if so it's been a fact of American life for decades. A lot of big mergers aren't going to change matters much; nor will a few antitrust cases.

No, mergers today are far more serious as a symptom of underlying changes among American businesses than as a problem in their own right.

In contrast to the past, U.S. corporations during this decade have shied away from investing in the new plant and equipment necessary to maintain the productive edge of the American economy. Despite all the talk about a "capital crisis," business enterprises have been accumulating mountains of cash. Yet much of it sits idle in bank accounts and Treasury bills, because industry executives can't think of anything better to do with it. Instead of creating new jobs, sponsoring new ideas, and building new products, the action has moved to shuffling financial assets from one pocket to another.

There are a number of reasons for this trend, and one of the contributing factors is what business has come to see as the increasingly burdensome intervention of the federal government. When a steel executive thinks about building a new plant, he starts to dwell on the millions he will be spending on pollution equipment. This is a lot of money he never had to spend before. The idea of spending all this *extra* money (and make no mistake, that is very much how he looks at it) makes the whole idea of investment much less attractive.

At the same time, however, an equally important factor is that many executives no longer seem capable of looking further than next quarter's earning report or of taking the risks necessary for long-term investments.

Arguing before the CAB about why its merger application for National should be approved (airlines need special government permission for one firm to acquire another), Pan Am's Seawell captured the new spirit perfectly:

"I am tired of playing the role of the White Queen, who is told there is jam tomorrow, jam yesterday, but never any jam today. At Pan Am we believe we ought to get some today. . . . We cannot afford the cost or the time it would take to create our own domestic system from scratch."

There was a time when Pan Am had a legitimate gripe; CAB regu-

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lations wouldn't let the company into the domestic market. That argument, however, doesn't hold up anymore. New CAB policy would allow Pan Am a chance to begin some domestic routes. But now the company clearly finds it more attractive, and easier, to break into the domestic market via acquisition rather than take the time and money to build up their own domestic business.

Mergers, of course, are not a recent phenomenon. At the turn of the century, American industry went through a wave of consolidation as the Rockefellers and the Morgans sought to reduce the unsettling effects of market competition. Just a decade ago conglomerates raided firms by the dozen in a feverish effort to maintain dazzling (and in many cases, artificial) profit growth rates.

'Polite People Didn't Do This'

But the recent corporate takeover movement is different in some significant ways. For one thing, the mergers are likely to involve larger firms in bigger deals. Even though the actual number of acquisitions has declined since the heyday of the 1960s, the dollars spent are much higher. Last year the volume of mergers topped $34 billion, very close to the previous record set in 1968.

What this indicates is that the takeover has become respectable among the old-line, conservative giants that dominate the U.S. economy. In 1976, General Electric paid over $2 billion for Utah International; Atlantic Richfield acquired Anaconda Copper in 1977 for more than $500 million; and Gulf Oil bought Kewanee Industries in a $440-million deal.

"In the late 60s, people in polite society didn't do this," says Joseph Flom, the premier takeover specialist of Wall Street and a lawyer retained by over 100 companies, for up to $40,000, just in case they are attacked by someone else. But following the 1974 International Nickel takeover of ESB, Inc. and then Mobil's purchase of a company that controls Montgomery Ward, "the rest thought," Flom says, "'If it's good enough for them, why isn't good enough for me?'"

Why indeed? Inspired by such deals, many corporate heads lost their inhibitions. "In the late 1960s the target of 15-per-cent-a-year growth rattled around in more corporate boardrooms," says Louis V. Gerstner Jr., a financial consultant. "I sense a lot of people have not lowered their sights

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yet. A lot of people think the only way to satisfy those growth goals is by acquisitions." Never mind, as former Federal Reserve Chairman Arthur Burns admits, that "such activity neither generates additional jobs nor additional capacity for our nation's economy."

Still, most deals—even though firms sometimes have had to pay twice as much as the market value of their takeover target—are advantageous to those involved. The reason for this is that the market value is deceptive these days. The stock market is depressed, many stocks are at or near historic lows, yet many companies are worth far more in terms of their assets than the value assigned to the firm by stock traders. This is a crucial point. The "market value" of a company means the price of a share multiplied by the number of shares. At the same time, however, most companies have factories, products, natural resources, and so on that are enormously expensive, far outweighing the price of the actual stock. It is much cheaper to try to buy a company, especially in an industry that requires a great deal of equipment and a handful of factories, than to duplicate those facilities in trying to break into a particular market. When you can't beat 'em, buy 'em.

A cash tender offer, even if it ignites a bidding war, can often gobble up those resources for far less than they're worth. "You can go down in business history," says *Forbes* magazine, delivering the current wisdom to its business audience, "as the genius who accomplished more 'in a finger's snap' than your predecessor did in decades."

Such quick-hit thinking has been at the heart of many of the recent deals. For instance, Tenneco, Inc., a Houston-based $6-billion conglomerate, wanted to expand in the auto parts field. It already owned Walker Manufacturing, a big automotive equipment firm, and, says president James L. Ketelsen, "shock absorbers fit right in." Instead of entering the shock absorber business on its own, however, Tenneco bought Monroe Auto Equipment, the leading maker. "To try to break into a new market with a totally homegrown product would be very difficult," Ketelsen said. "We could have spent a lot of money and many years before we would have been successful."

All this might not matter so much if the economy were growing faster and there were numerous opportunities for new firms to get started. Unfortunately, that's not the case. In 1977, according to Commerce Department figures, there were only 30 public offerings of stock, most of them quite small. In contrast, in 1969 (admittedly, a hyperactive year) 698 companies issued new equity offerings to the public totaling nearly $1.4 billion.

Esmark and Inmont

Meanwhile, productivity has slumped. The average output of a worker rose more than 2.1 per cent a year from 1960 to 1970, enabling nearly everyone's paycheck to grow considerably faster than the inflation rate. From 1970 to 1977, however, average output per worker increased only 0.8 per cent annually.

This is important for what it is saying to us about America's technological capabilities and about the way our economy is growing. While firms have continued to grow by buying out other firms, few companies are spending time making themselves more *efficient*, coming up with new technology that will allow their employees to increase productivity. That is also one important reason many of America's giant industries have lagged behind while competitors in foreign companies have become sleek and efficient and able to undersell us. The emphasis on quick growth through merger has made them lose sight of that.

Yet many economists have hardly noticed this productivity slowdown because—their eyes firmly fixed on the horizon of total GNP, which kept

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rising over the last decade at about the same average pace as earlier—they didn't see that most of the GNP increase was simply due to a growing number of workers.

To many chief executives, the only solution seems to be to diversify to keep the "profits-now" directors at bay. "Today companies are finding it harder to grow from internal business," said Louis Gerstner, the financial consulting head for McKinsey & Co. "More companies are saying that they are not in the right business."

The problem is that there is little evidence that going after acquisitions is very beneficial to real economic performance. According to a recent article in the *Harvard Business Review*, "the productivity of capital of many multi-business companies has lagged behind the economy." Nonetheless, because of the particular advantages to the bottom line or tax payments from many such deals, large manufacturing and mining companies have devoted nearly 15 per cent of their total new investment in the 1970s to acquisitions, using huge resources for takeovers rather than new ventures.

The proposed solution to this dilemma by many business leaders is almost laughable. "If the American public—and through it Congress and the bureaucracy—were more understanding of the problems of business," *Forbes* said in a recent article on the attempt by Occidental Petroleum to take over Mead Corp., "the stock market and Mead shares might be a good deal higher."

Of course, when Congress *was* understanding of the problems of business and passed an extremely favorable tax bill, the stock market simply yawned.

Oh, well. The takeover game, needless to say, goes on because it is still the best game in town. Even the losers can make money. Consider the case of Esmark's attempt to take over the Inmont Corp.

Esmark started buying Inmont stock in January 1977. By the time it had acquired nearly ten per cent of the shares for an average price under of $20 a share, it made an offer to purchase the rest for $25 each. Inmont refused, so Esmark made a public tender, which sent Inmont's board scurrying to its investment bankers in search of a white knight willing to pay more. Esmark made a complex proposal designed to prevent a protracted legal battle. This eventually led—the sting again—to Carrier Corp., an air conditioner manufacturer, agreeing to buy Inmont for cash and securities worth $32 a share, four times what the company had been selling for only a year and a half earlier—before all the scrambling began. Esmark made a profit of $8 million on the transaction.

Certainly some mergers make sense for stockholders while providing genuine economic benefits for the rest of us. For instance, a smaller firm may gain access to easier capital or benefit from better marketing after being taken over. And in new, fast-growing industries like semi-conductor technology, mergers help bring together different research ideas.

But, as should be obvious by now, the big, cash-heavy deals of recent years aren't being done for these reasons.

In the end, what's most troublesome about the merger movement is the desperation that animates it. The stock market thrives on rumors of potential takeover candidates; the Dreyfus Corp. even tried to set up a mutual fund to invest in likely targets until it began to worry about what the SEC would think about the potential for inside trading. It's acquisitions strategies, one merger specialist told *Business Week*, that "are getting the chief executives' attention." Robert Greenhill, head of the merger department at Morgan Stanley, said "There are very few companies that are not looking today."

Is this really all our business leaders can think of to do with their money? ■

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Art Levine Asks: HAVE YOU GOT WHAT IT TAKES TO WRITE FOR THE WASHINGTON MONTHLY?

Art Levine, famous author, writes for prestigious national magazines and *The Washington Monthly*—where he is Contributing Editor.

Have you ever dreamt of being a rich and famous writer? Have you ever thought how much *fun* it would be to be your own boss, travel to exotic vacation spots, and hobnob with the international jet set? Sounds great, doesn't it? But if you're like most people you've probably told yourself, "I don't have a chance. I'm never going to get any lucky breaks. I'll have to work at a dull 9-to-5 job for the rest of my life."

Well, it doesn't have to be that way, because I'm going to introduce you to the opportunity of a lifetime—writing for *The Washington Monthly* magazine.

Yes, it's true! Dozens of world-famous celebrities now earn fistfuls of dollars each day since they mastered the techniques of writing for *The Washington Monthly*. These mysterious "tricks of the trade," once a secret shared only by a privileged few, have made superstars out of people just like yourself—and now they can be yours ABSOLUTELY FREE, to use in the privacy of your own home. All that's required is that you read this home-study course (reading time: 10 minutes) and be eager to make your dreams come true!

But don't just take my word for it. Here are some unsolicited testimonials from successful graduates of *The Washington Monthly* School of Formula Writing:

"Before I took your course I was just another Rhodes Scholar and Harvard Crimson *editor. After learning how to write for your magazine, I earned $45,000 a year writing speeches for a U.S. President!"*

—James F.
Washington, D.C.

"I'm the highest-paid ghost-writer in the Western Hemisphere, and it's all because of you! I'm pals with every celebrity from John Dean to Bill Russell. The books I write are smash bestsellers, and I travel all around the world. I can't thank you enough!"

—Taylor B.
Acapulco, Mexico

That's just a small sample of the letters that pour into our offices each year. My own life has been equally transformed since I learned the easy-to-follow method of writing for *The Washington Monthly*. Once I was just another liberal freelance writer, eating out of tins of dog food while waiting for letters of acceptance for my articles. Every few days I would crawl to my mailbox only to find yet another rejection letter. "Dear Sir," a typical letter would begin, "we regret to inform you that we cannot use your article on Negro welfare mothers. We have already run several articles on this subject this year." I sent in manuscripts on every liberal subject I could think of, from nuclear disarmament to teenage unemployment to the United Nations, but nothing seemed to click. At one point, I was so desperate for material I read everything Norman Cousins ever wrote.

Just when I was at the end of my rope, I happened to spot an old friend on the street. He was riding in an open-air Mercedes-Benz, with a beautiful blonde at his side. He was wearing a floor-length fur coat and had a great tan. Only a few years before, he was a skinny college student with a beat-up Volkswagen. "Hey Jim," I said, "you look great. What's your secret?"

"Writing for *The Washington Monthly*," he said with a smile. "It's so easy, anybody can do it."

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It was only a short time until I, too, learned the secrets of successful writing for this great magazine. Now, I sometimes have to pinch myself to make sure I'm not dreaming. I own a townhouse in Georgetown and a summer place in Martha's Vineyard. I only work two hours a day, nine months a year. I never even touch a typewriter, but dictate my articles to my Swedish secretary, Helga, while counting the luxury cars that fill my driveway. I can practically write *Washington Monthly* articles in my sleep—and so will you, once you learn the easy steps of writing for this prestigious magazine.

'EARN CASH AT HOME IN YOUR SPARE TIME....'

"Sure," some skeptics may say, "but how can *I* become a *Washington Monthly* writer? I can't write for beans, I'm dull as dishwater, I hate researching, and I don't have any strongly held political opinions. Could I get published in your magazine?"

Our answer is: Welcome aboard! You sound like the kind of writer the *Monthly* is always looking for. We're open to anyone, regardless of experience or talent. No matter how trivial or dull your ideas may seem, we're ready to print them. And don't worry about how you can make your story fit into the political philosophy of the magazine. Our top-notch editors will be glad to add an introduction, a conclusion, and loads of *thought-provoking opinions* without troubling you with the dreary task of doing it yourself. As a special favor, we'll do it without even telling you. Many contented writers have said that there's no surprise quite like seeing a manuscript of theirs end up as an article in *The Washington Monthly*. Often they find themselves espousing ideas they never even heard of, let alone agree with. But that's just part of the excitement that comes from being a *Washington Monthly* writer.

And now, it's your chance to cash in on the trade secrets insiders have known for years.

Three Steps to Success

Learning to write for the *Monthly* can be divided into several broad categories: mastering the concepts behind all *Monthly* stories, memorizing the political philosophy of the magazine (known in-house as "The Gospel"), and learning the unique structure common to *Washington Monthly* pieces. Once you learn these basics, you can grind out articles month after month, just like the real professionals do.

Let's take the underlying approach to the articles first. The magazine bills itself as "the liberal magazine that challenges liberal orthodoxy." In other words, we are practically indistinguishable from *National Review*, except that our readership is made up of average, white, educated liberals. All articles should be written with this type of reader in mind. Just picture him: he's just come home from work, he's tired, and he's wading through a pile of liberal magazines. You only have a brief moment to catch his attention before your article is thrown into the trash along with *Commonweal*. What to do?

CHALLENGE HIS ASSUMPTIONS! That's right, kick him in the shins with a totally off-the-wall concept. Take whatever you think he holds dear and tell him that he's wrong. All you have to do is find some commonly accepted belief, and then turn it on its head, arguing any position that is perverse and iconoclastic. Once you get the hang of it, it's simple.

Take a look at some earlier articles the magazine has run. Do you remember "The Case *For* Corporate Bribery," "The Case *Against* Day Care," or "Let the Aliens *In*?" See how easy it is. Just grab any paper or magazine and begin making up your own iconoclastic story ideas. For

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practice, here are some highly publicized topics and deeply held beliefs. Pick a few from the list and turn them into *Washington Monthly* articles:

jogging
child abuse
Idi Amin
necrophilia
Judaism
nutrition

Well, time's up. Did you decide on, say, "The Case For Child Abuse?" If so, you show definite potential as a *Monthly* writer. If not—keep reading, you may still be able to catch up with the rest of the class.

But now, a word of caution: don't forget, it's a dog-eat-dog world out there among the iconoclasts. Everybody and his uncle is always trying to surprise the liberal reader, so the *Monthly* has to stay one step ahead of the competition. One problem in this tricky field is keeping a close watch on the prevailing liberal mood, so you can oppose it. But you have to be careful, or you may end up *arguing a position held by a majority of your readers.* That kind of mixup could be awfully embarrassing.

Your best bet is to stick to widely held assumptions. Let's take Nazi Germany. Your readers probably think the Nazi regime was the most evil, vile tragedy in world history, without a shred of redeeming social value. At the *Monthly,* we say, "Hey, not so fast! Let's take another look." How would the *Monthly* handle this sensitive topic? Why, with its usual array of fresh insights and provocative arguments, of course. Here's a sample of the way some top *Washington Monthly* writers might approach this all-important issue:

"Busting Our Mental Blocks on Hitler"—Contributing editor Tom Bethell argues that the sins of Adolf Hitler have been wildly exaggerated by the liberal media over the years, especially by *The New York Times* and *The Washington Post.* Highlights of the piece include his witty, scathing attacks on Anne Frank and Eli Weisel. He ends with a ringing denunciation of government bureaucracy.

"How Many Jews Did You Kill in the War, Daddy?"—In this sensitive first-person account, James Fallows apologizes for causing World War II. He explains how a Harvard-educated elite and the American class system helped Hitler in his rise to power and led to the invasion of Czechoslovakia.

"What Liberals Can Learn From the Krupp Family"—Editor Charles Peters hails the entrepreneurial spirit of Germany's leading munitions makers. In the face of government paperwork and the seductions of play-it-safe manufacturing, this plucky family nonetheless invented new bombs and weapons to aid their country in its time of need. Peters also gives the family high marks for altruism and patriotism, qualities he finds sorely lacking in today's society. He ends with a ringing denunciation of government bureaucracy.

SET YOUR OWN HOURS....BE YOUR OWN BOSS....

The *Monthly's* approach to the Third Reich should give you insights about the magazine—and how you can fit in. It should also clue you into another basic element of *Monthly* writing: attacks on liberal hypocrisy. "Scratch a liberal," we say at the *Monthly,* "and you'll find a hypocrite." That's good advice to keep in mind as you hunt for "liberal hypocrisy" stories. Here's how it works:

Suppose you want to do a profile on some famous and admired liberal, some leader with a lifetime of important achievements. Your job is simple enough: rip him to shreds and portray him (or her) as a petty egomaniac without any scruples at all.

For example, how would you go about attacking someone like Pete Seeger or Mahatma Gandhi?

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"It can't be done," you say, "Those men are saints!" Well, at the *Monthly*, no job's too tough for one of our skilled writers. Taking apart Seeger, for instance, would be a piece of cake. At first glance, he looks unassailable: a victim of Cold War blacklisting, a lovable human being, a selfless activist, who gives both his time and money to a wide variety of noble causes. But a closer look shows just how many tough questions you can ask. Some samples: Okay, Mr. Liberal Folk Hero, how come you waited until *now* to protest against nuclear power (especially when the *Monthly* noted its dangers as early as 1969)? How come you earn more money than black folk singers who appear with you? How come you always hog the spotlight at every demonstration?

As you can see, nobody's perfect, and it's the *Monthly's* job as the scourge of liberal hypocrisy to point that out. After shooting down a few harmless liberals, you can go on to denounce anything from food stamps to free swim classes.

Unique Philosophy

Now that you've learned the basic concepts behind a *Monthly* piece, it's time to enter the confusing world of the magazine's "political philosophy." Actually, "political philosophy" is a polite euphemism for the grab bag of unusual ideas, half-baked schemes, and petty prejudices that is referred to as "The Gospel." The Gospel is, in fact, a list of ideas made up over the years by the magazine's idiosyncratic editor, Charles Peters, who demands that at least some of them appear in every article the magazine runs. Since the Gospel is periodically revised and updated to include any stray ideas that catch his fancy, *your* idea, no matter how crazy it may seem to you, has a chance to become part of the Gospel. For example, do you think the civil service could be improved if all bureaucrats were forbidden to ride cars to work? That's just the kind of wacky idea Peters might take a shine to. If so, he'll run it on the cover of the magazine, mention it in his column a few times, and find ways to do variations on the same theme.

BECOME A FAMOUS AUTHOR—
Impress YOUR FRIENDS
Beat INFLATION

In fact, people always say, "How do you folks at the *Monthly* keep coming up with those new story ideas all the time?" What these people don't know is that we don't really come up with new ideas, but *different ways to say the same thing over and over again.* "What's the point?" is Peters' query after reading every manuscript; and unless it contains enough Gospel, it will never be transformed into that special something known as a *Washington Monthly* article.

Some writers never learn this, so they never cut it with the magazine. One day, for example, a young investigative reporter named Seymour H. came to Peters with some story about a massacre in a Vietnamese town. Mass murder. Dead civilians. Military cover-up. Peters took one look at the hapless writer's manuscript and said, "What's the point?" and promptly threw him out of the office. We all had a good laugh afterwards.

Since *you* want to avoid that kind of foolish mistake, here are the major elements of the Gospel, in capsulized and easy-to-remember form. Some of these ideas may contradict themselves, but who cares?

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The Gospel

1. The federal bureaucracy is filled with too many lazy and incompetent people, over-protected by a tenure system. Big government needs to be reduced and waste eliminated. The civil service needs a healthy dose of politics to make it responsive.
2. People should take risks and become entrepreneurs.
3. To run properly, the government needs accurate and fearless intelligence and internal reporting.
4. The government should provide free medical care and a guaranteed annual income.
5. Railroads should be the country's leading form of transportation.
6. Coal miners have a tough life. The UMW, UAW, and the union that protects people who empty bedpans are the only useful unions. All the rest are bad for America.
7. In our hypocritical society, people's credentials are more important than how they perform or what they do. There are class differences in America and that's bad.
8. Lawyers and doctors are up to no good. They act mostly in their self-interest and charge too much money.

(clip and save)

That was easy enough, wasn't it? But successful *Monthly* writers know more than the Gospel itself—they know some of the sure-fire story ideas that grow out of it. They may not be obvious from the above concepts, but these additional article topics are so interesting and exciting that the editors love to run them again and again. As a would-be writer, all you have to do is submit a manuscript on any of these subjects, and if your entry is received before other manuscripts on the same topic, yours will be sure to run as the annual entry in the field. What could be simpler? So take a look at the following list and decide if you want to be this year's author on:

Trident Submarines
West Virginia Politics
The Washington Post
The Postal Service
The Peace Corps
The CIA and the Failure of Intelligence
The Imperial Press
Foreign Service Officers
Law Schools
A. Ernest Fitzgerald

Reading that list was a lot of fun, wasn't it? Well, imagine the fun you'll have writing new articles on the same hardy subjects.

Now, as a special bonus for being so attentive, I'm going to let you in on a secret about writing for this magazine that has *never before been revealed.* There is a magic name that guarantees your article will be published no matter how badly done. If you can drag in this name, you can't go wrong. Amazing? Too good to be true? Not at all! Here's the name that makes every manuscript a winner: *True Davis.* That's right. And all you have to remember about him is that *he represents everything that is evil about Washington.* For example, if you're writing about a congressman, you might say, "Rep. So-and-So is the kind of legislator True Davis would have loved." See? It may seem hard at first to mention True Davis in an article about the Peace Corps, but once you get used to it, it becomes so easy, you won't even notice you're doing it. And don't worry that you've never heard of True Davis—*neither has anyone else.*

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At this point, it's time to take stock of what you've learned. Here's a quick quiz designed to see how much you've mastered:

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1. Most liberals think a nuclear war would be a disaster. What position should a *Washington Monthly* writer take? Explain.
2. Which of these articles could not get published in *The Washington Monthly*?
   a) "How the Federal Civil Service System Screwed the Average West Virginia Coalminer "
   b) "Pimps: the Last Entrepreneurs"
   c) "Cheryl Tiegs' Beauty Tips for Federal Executives"
   d) "How to Save Iran: Call in The Big Bills"

Some Tips on Style

Now, you're almost ready to write your own piece. But first, you have to learn a few rudiments of structuring a *Monthly* article. You see, other magazines make it too easy for their readers by telling them at the very beginning of an article what it's about. Not us. We believe in keeping the reader in suspense.

One way to do this is to open with a long anecdote that has little to do with the topic at hand. Let's say your article is on oil prices. You might start by recalling the first car your father gave you, and how you used to drive it all around town. Go into lengthy descriptions of the car, the highways, whatever comes to mind—your reader is sure to be fascinated. Pretty soon you'll be halfway through the article and the reader still won't know what the piece is about. At this point, you may have to relent, and provide some new information. But be sparing. We recommend no more than a few paragraphs of original material in every article.

Now comes the hard part: How do you pretend that your article isn't leading up to the same Gospel conclusions your readers have read dozens of times before? Our advice: stall for time. Repeat yourself. Maybe even throw in a few paragraphs from earlier *Monthly* articles. Then, before you know it, you'll be writing a Gospel conclusion just like so many fine writers before you have done.

It's at this point that many would-be *Monthly* writers crack. "I can't take it," they say. "If I have to come out for a national railroad system once more, I'll die. Can't I please come to an original conclusion?" Hopefully you'll be made of sterner stuff. It's admittedly a bitter pill to swallow, but the magazine does have its standards. Veteran *Monthly* writers know there are ways to ease the discomfort of repeating a hackneyed Gospel conclusion. Convince yourself that it really *is* a sensible idea, that yours will be the definitive article on the topic (until next year).

If this doesn't work for you, if you still can't face this onerous task, don't despair. Send that manuscript in anyway. We'll be glad to write the conclusion for you. We do it all the time.

Well, I've given you everything you need to make it in the glamorous world of *Monthly* journalism. Now it's up to you. Are you willing to take the risk? If not, that may be because our society hasn't provided the kind of support—in our political system, our schools, and in our culture—that's necessary to encourage that sort of risk-taking. We've gone from a nation of vigorous entrepreneurs to a nation of timid bureaucrats, each obsessed with preserving his security in the miasma of special-interest politics. Ultimately, the real irony may be that the values that made this country great blah blah blah. . . . What we need, in these times, is a rebirth of. . . gospel gospel gospel, etc. etc.

(Note to editor: Can't think of an ending. I know you'll come up with something.)

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Richard Reeves on Political Books

The last time he was seen regularly in Washington, Benjamin Stein was writing the final defenses of the president he worked for, Richard Nixon. His later work—screenplays, television scripts, and a novel, *DREEMZ*—has been better received. Stein has, as they say, gone California: sort of Mr. Taft Goes To Hollywood.

What does a young (34) Republican see in LaLaLand? The answer, an extremely interesting one, is his book just published by Basic Books: *The View From Sunset Boulevard—America As Brought to You by the People Who Make Television.*

The introduction explains what Stein was trying to do: "For the first time in my life, I started to watch a lot of television. It was a revelation. In the midst of the most inane and repetitious television shows, comedy and adventure, and even soap operas, there was a spate of political and social messages so clear and interesting.... Businessmen were bad people and workers were good people. High-level police were bad people... rebel, idiosyncratic cops were the salt of the earth and smart, too.... I noticed further that the lives of men and women and children on TV shows, so different from any life I had ever seen or participated in, was really the life of Los Angeles—the clean streets; the polite, handsome police; the shiny new cars issued to everyone over 16; the strong-jawed men and the lean, unthreatening women....

Richard Reeves is the author of Convention. *His column is a regular feature of* The Washington Monthly.

"The super-medium of television is spewing out the messages of a few writers and producers (literally in the low hundreds), almost all of whom live in Los Angeles. Television is not necessarily a mirror of anything besides what those few people think.... [I] arranged to interview in person and by proxy about 40 important TV writers and producers. I asked them a set of questions designed to draw out their feelings about American life.... The fit between the message of the TV shows and the opinions of the people who make the TV shows was excellent."

Stein, who now works for Norman Lear's Tandem Productions, may or may not be right about the political and social impact of prime-time television, but he makes a hell of a case that most of it is the interchangeable product of a few folks with a rather bizarre view of the world. To begin with, they think they're poor and oppressed even though many of them are making upwards of $10,000 a week.

These are some of their other opinions, not atypical, as recorded in the book:

"In the world we have built there is almost no middle class any more. There is a lower class and a medium-to-upper class. That has helped to incur crime."—Lee Rich ("Eight is Enough," "The Waltons")

"[Government] makes everyone in the country have to hire a tax attorney and an accountant."—Mort Lachman ("All in the Family")

"There's definitely a link between big business and organized crime. There

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has to be a link to make big business work."—Gary Marshal ("Happy Days," "Laverne and Shirley")

"Money has no value anymore.... Most people don't even look at their bills. Their business manager pays them."—Leonard Goldberg ("Charlie's Angels")

"Is the church important in American life? No."—Lee Rich

Entertainment television, Stein argues, is run by a collection of rich, conspiracy-minded populists—most of them irreligious Jews who came from New York and now live on the west side of Los Angeles. "In another age they would have been garment salesmen," Stein told me. "Now they have their hands on the levers that move the world."

That last sentence is the key. Do these people, a very talented group, have as much control over the times, the nation, and the future as Ben Stein believes they do? He finds them anti-religious, anti-business, anti-military, anti-small town, pro-bureaucracy, pro-minority, and a lot more; but do they have the power to impose their values on the larger, television-addicted society?

I'm not as sure as he is about the effectiveness of their power. But I do believe the potential—or the danger—is there. If America wants to watch television for four or six hours a day, fine. But it's insanity to let a few people hold such control over the content of the most powerful communications medium. Even if they are, as Stein describes them, "the finest, most thoughtful people I had ever met." ■

political book notes

Public affairs books to be published in February

Adventures of a Bystander. Peter F. Drucker. Harper & Row, $12.95.

America and Western Europe: Problems and Prospects. Karl Kaiser, Hans-Peter Schwarz, eds. Lexington, $13.50.

American Energy Choices Before the Year 2000. Elihu Bergman, Hans A. Bethe, Robert E. Marshak. Lexington, $19.95.

The American Political Dictionary. Jack C. Plano, Milton Greenberg. Holt, Rinehart & Winston, $15.95/$8.95.

Andrew Young. Carl Gardner. Drake, $9.95.

The Angry Decade: The Sixties. Paul Sann. Crown, $14.95.

At Button's. Garry Wills. Andrews & McMeel, $8.95. (fiction)

Barbara Jordan: A Self-Portrait. Barbara Jordan, Shelby Hearon. Doubleday, $9.95.

Black Macho and the Myth of the Superwoman. Michele Wallace. Dial, $7.95. If you were wondering whatever happened to the Black Revolution, it was dissipated, according to the author, partly by a "fog of sexual myths and fallacies." But in addressing these myths, she has to acknowledge some grounding for the Moynihan Report's finding of a matriarchal society among blacks. Her bitter complaint is two-pronged: the black woman never wanted that role, and, as a "myth," black authors gave it every credence, reflecting the white view of the black as something less than a man.

So it was not civil rights but sexual politics that underlay the rhetoric and bombast of the sixties. If one was to assert one's manhood, then, it meant a macho strutting, a put-down of black women (Carmichael's "The only position of women in SNCC is prone"). This narcissistic preoccupation with virility, if the author is right, has left the black woman in a far worse predicament than ever before, without status or respect, beset by prejudice and animosity between the sexes. Some evidence for that may lie in the statistic that from 1965 to 1976 the percentage of black families with female

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heads increased from 23.7 per cent to 36 per cent.

Historically, the black woman was indeed a stabilizing force, but not the emasculating, monstrous Amazon she has been made out to be by the now chest-thumping macho. How to deal with it? For Ms. Wallace, who herself once looked to a sweetly dependent role, the answer is to shake her sisters out of the guilt of unjustified myth, shake them out of indifference to the women's movement—and to shake up black men with her indictment.

—*Patricia Nosher*

Brink: Cuban Missile Crisis, 1962. David Detzer. Crowell, $10.95.

Confronting the Holocaust: The Impact of Elie Weisel. Alvin H. Rosenfeld, Irving Greenberg. Indiana University Press, $12.95.

The Craft of Power. Dr. Ralph G. H. Siu. John Wiley, $15.95.

The Crime Victim's Book. Morton Bard, Dawn Sangreu. Basic, $10.95.

The Darker Reaches of Government: Access to Information about Public Administration in the United States, Britain, and South Africa. Anthony Mathews. University of California, $22.50.

Death on the Job: Occupational Health and Safety Struggles in the United States. Daniel Berman. Monthly Review Press, $12.95.

Defending My Enemy: American Nazis, the Skokie Case and the Risks of Freedom. Aryeh Neier. Dutton, $9.95. Since its founding in 1920, the American Civil Liberties Union has led the legal battles against First Amendment infringements. It has been denounced by the right wing for defending communists and by the communists for upholding free speech for right-wing extremists. And for those in-between it has tried to provide a convincing answer to the question, "Why fight for freedom of speech for those who use it to obtain the power they need to take away *our* free speech?"

The paradox was dramatically evident in the Skokie case. American Nazis, insisting on their right of free assembly and speech, chose as the site of a projected demonstration a park in a Chicago suburb populated in large part by Jews who had survived the Nazi scourge in Europe. The Skokie authorities made the permit for the demonstration conditional on providing a prohibitively high bond. The wrangle went into the courts, with the ACLU taking up the cudgels for the Nazis, and the case attracting national attention and debate. For its part in the affair, in which the Supreme Court ultimately upheld the right of the marchers, the ACLU lost about 30,000 members, who angrily resigned or chose not to renew their membership.

Neier, who himself suffered from the Nazis in Germany, was the ACLU's executive director during the Skokie affair, and defending the rights of the American Nazis was a distasteful and wrenching experience. He was sustained by his belief, which he sets forth compellingly, that once the liberties of unpopular minorities are sacrificed, no liberties are safe. He points out that in Britain, where there are no constitutional guarantees of free speech, laws originally designed to curb the speech of fascists have been used to silence anti-fascists, Zionists, and opponents of nuclear weapons.

Neier answers the paradox posed above with another paradox: the ACLU and courts that defended the right of the Nazi's to march in Skokie defeated the Nazis by preserving the legitimacy of American democracy.

—*Leonard Reed*

A Dilemma of Local Government: Discrimination in the Provision of Public Services. Paul R. Diamond, with Constance Chamberlin, Wayne Hillyard. Lexington, $14.50.

Evaluating Public Programs: The Impact of General Revenue Sharing on Municipal Government. Patrick D. Larkey. Princeton, $18.50.

Feminist Revolution. Redstockings. Random House, $5.95.

Lenin's Last Struggle. Moshe Lewin. Monthly Review Press, $5.95.

Minimum Disclosure: How the Pentagon Manipulates the News. Juergen Arthur Heise. Norton, $10.95.

The Nature of Mass Poverty. John Kenneth Galbraith. Harvard University Press, $8.95. Galbraith's arch tone and his back-constructed double-negatives ("it would be far from unreasonable to assume"... "revolt is not without its rewards") have grown tiresome, but in this short book he makes two points convincingly. One is that, in diagnosing the

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problems of world poverty, the rich nations have started with the remedies they were able to provide—pesticides, cement plants, courses in democracy—and reasoned back from there to what the causes of poverty must be. No one would admit a cause—culture, climate, terms of trade—for which a remedy was not at hand. Second, Galbraith shows that, down through the ages, the "equilibrium of poverty" in the rural areas of the world has mainly been broken in one way: when those who refuse to accommodate themselves to this hopeless prospect decide to go somewhere else. They have gone to the cities—as they now do in the Third World; across the oceans—as they did from Ireland to England, and from all of Europe to the United States; to richer lands—as they now do from Yugoslavia and Turkey to Western Europe. Wherever they arrive, they are not a drain on resources—as our current flap over illegal aliens assumes—but more often a crucial source of continued economic growth. One of the reasons Britain has languished while Germany and Switzerland have boomed, Galbraith says, is that Britain has done everything possible to keep foreign workers out.

By the end of the book, one shares Galbraith's conviction that, instead of trying to wall off the borders, we should open them up: "Migration, we have seen, is the oldest action against poverty. It selects those who most want help. It is good for the country to which they go; it helps to break the equilibrium of poverty in the country from which they come. What is the perversity in the human soul that causes people to resist so obvious a good?"

—*James Fallows*

Piercing the Reich: The Penetration of Nazi Germany by American Secret Agents During World War II. Joseph E. Persico. Viking, $14.95.

Privacy: How to Protect What's Left of It. Robert Ellis Smith. Anchor, $10.

The Search for the Manchurian Candidate. John Marks. Times, $9.95. John Marks made his big mistake with this book nearly two years ago. Fearful that the Senate Intelligence Committee or the CIA would steal his thunder, Marks announced at a press conference that he had obtained, using the Freedom of Information Act, thousands of pages of documents detailing the CIA's bizarre experiments in mind control and brainwashing. He passed around about 400 pages of his material to reporters, figuring that they would write one or two quick stories and then forget about it.

It was a major miscalculation. *The New York Times* and *The Washington Post* decided to pursue the story aggressively—asking for, and receiving from the CIA *all* the documents the agency was turning over to Marks, and writing long, detailed accounts about MK-ULTRA and the other mind control programs for months afterwards.

As a result, what Marks surely had hoped would be shocking new information now seems old hat. We get here the grand overview—a comprehensive, detailed, and thoroughly readable account of the CIA safehouses, the brainwashing experiments, the involvement of the universities. But only a few chapters (particularly the one on brainwashing) have the riveting quality that comes from presenting new and intriguing information.

—*Joseph Nocera*

The Spiritual Journey of Jimmy Carter: In His Own Words. Wesley G. Pippert, ed. Macmillan, $8.95.

Suffer the Children: The Story of Thalidomide. The Insight Team of the *Sunday Times* of London. Viking, $12.95. Many died, but some 8,000 of them are teenagers now, children born with missing and rudimentary limbs and a whole array of other deformities because during pregnancy their mothers took as few as two thalidomide pills, a tranquilizer that went on sale in October 1957.

It is a story of incredible carelessness, callousness, and venality on the part of the West German pharmaceutical company that issued the drug with insufficient research and vigorously promoted it long after receiving persuasive evidence of its danger. (After a number of doctors had discovered the link between thalidomide and the growing incidence of malformed children, the company printed a warning against use of the drug by pregnant women—on the thalidomide labels it sent to Western countries but not on those it sent to Africa.)

The sordidness of the story goes far beyond Germany. The journalists who wrote this book concentrate much of their attention on Britain, where the thalidomide licensee, one of Britain's industrial giants, also chose to conceal the mounting evidence from the doctors and clinics to

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whom it was selling the drug. In most countries the victims were thrown on their own resources in attempting to force the companies to share the financial burden of the ruined lives they had created—and only the rich had the resources. In Britain, once the affair became a matter of litigation, the press was enjoined from publishing the results of its own investigations.

By comparison, the United States comes off well. The major pharmaceutical companies refused to handle thalidomide because they considered it to have been insufficiently researched. A company tainted by a previous scandal did become the licensee but found, to its chagrin, that its application to distribute thalidomide had run afoul of Dr. Frances Kelsey, a new employee of the Food and Drug Administration. It was Dr. Kelsey's first application, and she was unimpressed by the fact that thalidomide had already been on the German market, with apparent safety, for two years. She wanted to know what effect the drug might have on pregnant women. Despite considerable pressure from the pharmaceutical company, Dr. Kelsey stuck to her guns. Except for "trial" samples the company gave to a few doctors before making its application to FDA, thalidomide was never marketed in the United States, and there were, consequently, no more than 16 known thalidomide births here. Here, too, publicity and incentive combined to make private litigation by the parents of the victims effective: the plight of the victims was well publicized by a press unhampered by prior restraint laws; and the victims were able to obtain legal redress irrespective of their economic status because of the system by which lawyers take cases on contingency fees.

—*L. R.*

"IT LOOKS AS IF Andrei Voznesensky, a Russian poet of the non-dissident school, will be the new Yevtushenko, provided he can keep up the pace: 'It is terrible,' he grins. 'Every day a plane. Every night a reading.' Soviet poets, like Soviet chessplayers, need stamina. As they say in the Kremlin, publish or perish."

For a free copy of the current issue of National Review, write to Dept. W-23 150 East 35th Street, New York, New York 10016.

The Tribes of America. Paul Cowan. Doubleday, $10.95. "It was thrilling and terrifying," writes Paul Cowan, "to read a *New York Times* article about a fight over some textbooks in West Virginia, or about some coal miners who were striking in Harlan County, or truck drivers who were closing down America's highways, and know that the *Voice* would assign me to discover the human feelings behind those stark facts." This book collects the results of twelve of these daredevil assignments in cross-cultural empathy. Cowan occasionally hits paydirt, as in his description of Hasidim on New York's Lower East side who cruise around the neighborhood in late model cars, delivering food to the poor, and coordinating their efforts over the CB radio in a combination of Yiddish and traditional truckers' slang. But Cowan continually feels compelled to "describe the self-discoveries that emerged from a particular journalistic experience"—as if his readers were interested, not in his rich subject matter, but in his own feats of tortured introspection. ("I have rarely covered a story that left me as emotionally conflicted as this one did. . . "; "I realized a reporter covering a tribal battle has to be able to hold two conflicting realities in his mind. . . he has to be open to the possibility that an experience will reshape him.") This might work if Cowan were, say, Vladimir Nabokov. But he seems rather a dull sort. So it is less than fascinating when, at the end of the book, Cowan dramatically reveals the records he listened to while doing his unfortunate "experimenting with the journalistic form."

—*Robert M. Kaus*

Ultra Goes to War. Ronald Lewin. McGraw—Hill, $12.95.

The View From Sunset Boulevard: America as Brought to You by the People Who Make Television. Ben Stein. Basic, $8.95. See Richard Reeves' column.

A Walk Across America. Peter Jenkins. William Morrow, $12.95.

The Washington Sting. Chuck Conconi, Toni House. Coward, McCann & Geoghegan, $8.95.

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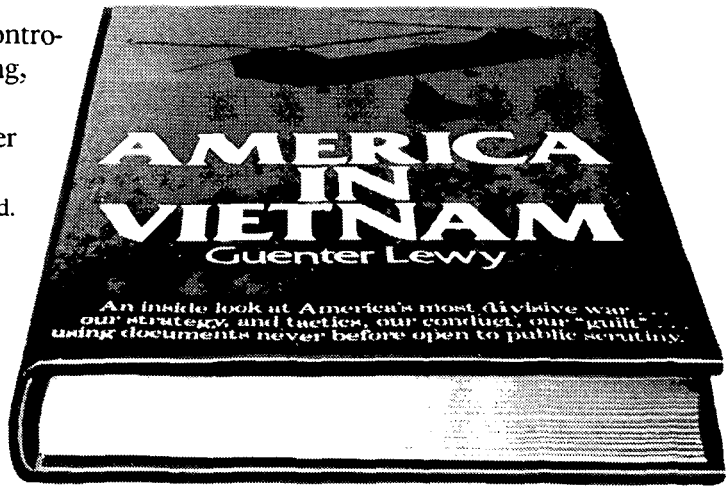

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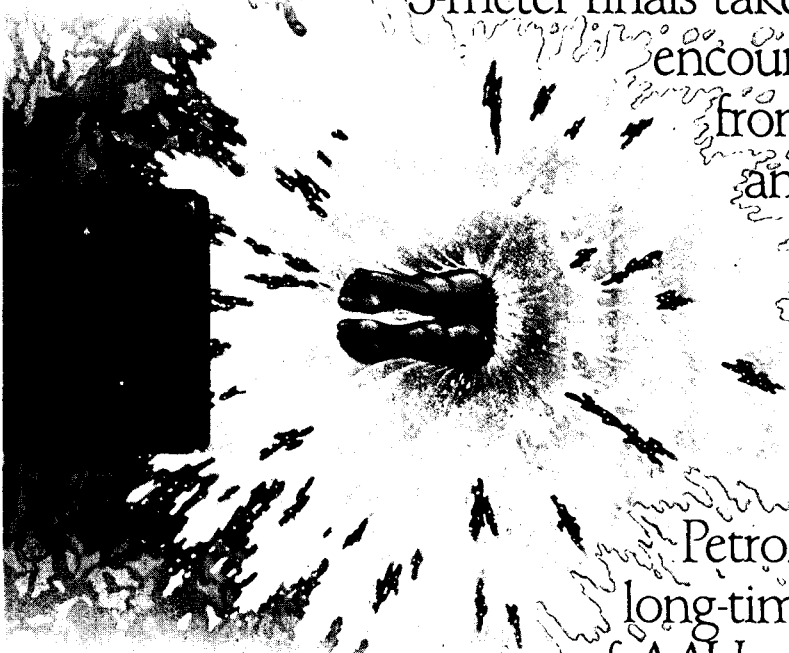

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